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## Tourism and sustainable economic development

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41<sup>st</sup> Congress of the European Regional Science Association  
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Tourism and sustainable economic development

*Abstract.* The interest in sustainable tourism reflects the growing acknowledgement that industry, tourists and natural resources are inter-linked and that these elements depend on one another for successful long term sustainability at appropriate decision-making levels. While a lot of research has been done on how to progress towards a more sustainable kind of tourism, a lot still needs to be undertaken to foster the practical application of this concept. This paper is part of this ongoing effort. Having expressed the exigency to build the debate on sustainable tourism on sound economic foundations, the paper shows an analysis of some issues to be solved if we are to reconcile tourism development with the protection and conservation of the environment.

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## 1. Defining sustainability

Sustainability is one of the key-words of the 1990s. Sustainability and sustainable development were given impetus and made popular by the Brundtland report [WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT, 1987]. It presented economic development, in the usual meaning attributed to this term, (securing improvements in per-capita levels of wellbeing, coupled with reduction in poverty and inequity), together with the accomplishment of the requirement of the protection and the renewal of the resource base of national economies and world economy.

The Brundtland report stimulated debate both on the environmental consequences of industrialisation and on the effects of present actions for future generations. Moreover, the report reactivated interest in the physical or ecological constraints of economic growth. As a result, sustainability and sustainable development began to appear in a range of contexts and to figure as an explicit goal in many domestic and international policy-oriented institutions. For instance, at an international level, the Rio Conference [UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT, 1992] marked the beginning of a world wide commitment which recognises the principle that the right to development must be exercised in such a way that satisfies social and environmental needs of current and future generations, in an equitable manner. This acknowledges a commitment that signifies the adoption of certain rules of resource and environmental management for the compatibility of economies with their environments. In the same direction, at a supranational setting, the European Community in its Fifth Environmental Action Programme [COMMISSION OF THE EUROPEAN COMMUNITIES, 1992] described the defiance of the 1990s in terms of the exigency of a far-sighted, cohesive and effective approach to achieve sustainable development.

But if the concepts sustainability and sustainable development have been progressively accepted by domestic and international policy agendas and seem more and more helpful in providing new and fresh dimensions for the decision-making process and the basic economic problems of scarcity, economists have been generally slow in providing adequate responses to many important issues [HOWARTH, 1997]. A number of implications and limitations of these concepts have not been discussed in as much length as it would be desirable, especially when the general paradigm of sustainability has been applied not only on a world scale, in the wider context of global environmental resources, but even at smaller territorial levels, both national, regional and local [NIJKAMP, 1993]. A clear interpretation of the notion of sustainability is lacking in many analysis of sustainable policies, since this may depend on underlying subjective or ideological views [CREACO, 2001]. The difficulties in defining sustainability at the various levels at which it could be achieved, together with the related incomprehension of how sustainability at different decision-making levels is related, have frequently led environmental policies which use such a new conceptual framework to rest on insecure and unstable theoretical foundations.

## 2. The research for sustainable tourism policies

2.1 The research for sustainable policies in tourism development is of great economic significance and assumes particular contours. Tourism is one of the largest industries in the world and one of the fastest growing sectors of economic activity [UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL, 2001]. On the whole, the socio-economic impacts of tourism can be classified as follows [PEARCE, 1991]:

- *balance of payments*: for many nations, tourism is often the main source of foreign exchange earnings, although some reductions of the net benefits of the balance of payments can be expected because of the actions of foreign tourist operators;
- *regional development*: tourism frequently spreads economic activities more across the internal border of the particular country;

- *diversification of the economy*: because of its multi-faceted nature, tourism may foster the build up of solid economic development;
- *income levels*: the income effects of tourism may give rise to wide variations in income multiplier;
- *state revenue*: the State earns revenues due to tax collections, although it has been acknowledged that significant expenditures for building and construction activities may also be required;
- *employment opportunities*: in most countries tourism is an important source of employment, especially for the unskilled and semi-unskilled labour-force.

Obviously, these effects will vary from one country to another according to a wide set of circumstances, such as the tourist life cycle, local tourist promotion strategies and the utilisation of adequate information systems and marketing strategies. In all cases, the extent to which these effects will manifest themselves has to be considered in the light of the pressure of tourism businesses on the natural, cultural and socio-economic environments of tourism destinations. Such adverse environmental impacts are caused by over-consumption of resources, pollution and waste generated by development of tourism infrastructure and facilities, transport, and tourism activities themselves. This is especially true with regard to tourism based on the natural environment as well as on historical-cultural heritage [RUSSO - VAN DER BORG, 2000].

On acknowledging the fact that unplanned and uncontrolled growth of tourism aiming at short-term benefits often results in negative and irreversible effects on the environment and societies, and the destruction of the very basis on which tourism is built and thrives, questions arise as to whether it is possible to keep on developing tourism in a certain region without having external negative diseconomies, which means that such development must be ecologically bearable in the long term, as well as economically viable, and ethically and socially equitable for local communities.

This paper is part of the growing effort to provide a theoretical framework for the analysis of the relationship between environmental and cultural conservation and tourism growth. The core of this analysis is the comprehension of the "sustainable tourism" concept, and the fact that clarity on the subject, and the values and premises that underlie it, is essential if sustainability aims are to be accomplished.

2.2 The principle of sustainable tourism was proposed as early as 1988 by the World Tourism Organisation, with sustainable tourism "envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems". Recalling previous declarations on tourism, such as the Manila Declaration on world tourism, the Hague Declaration and the Tourism Bill of rights and tourist Code, the Charter for sustainable tourism approved during the World Conference on sustainable tourism, held in Lanzarote in 1995, underlined the need to develop a kind of tourism that meets both economic expectations and environmental requirements, and respects not only the social and physical structure of its destination, but also the local population.

But what does such a way of understanding tourism development entail? Which are the major consequences of the adoption of a view aimed at ensuring the sustainable use of resources in tourism based on

the diversity of opportunities offered by the local economy? From this perspective, it is useful to underline the principal aspects of sustainability when this is referred to the tourism sector.

The concept of sustainability has a twin valence: on one hand there is the ecological aspect, that is the conservation of the natural equilibrium of all the components of the natural environment (flora, fauna, water resources, etc.); on the other hand there is the anthropological aspect, which could be expressed by the persistence of enjoyment of this environment in spite of growing tourist flows [FOSSATI - PANELLA, 2000].

It is obvious, at least for the economist, that there is a strong relationship between the two characteristics (ecological and anthropological) of sustainability in tourist enterprise. In fact, the degradation of the weaker components of the natural environment, especially if it is irreversible, provokes, first of all, a slow down in the development of tourist activity, with substantial consequences at a social and economic level. Such a situation of backwardness and impoverishment will subsequently result in a loss of interest in conservation and good use of natural and environmental resources, which are of great interest to tourists. Added to this there is also a substantial loss even in the financial profitability of the different commercial activities concerned.

For this sake it is worthwhile underlining how this interaction between environmental deterioration and economic profitability can be considered as the point which lies at the root of the well-known phenomenon of the life cycle of tourist businesses. In fact, this cycle starts off in areas of great value both in culture and in landscape, when the territory is characterised by environmental high quality. As natural, cultural and environmental resources are assaulted by tourist exploitation, sooner or later the territory concerned passes from “luxury tourism” to “cheap tourism”, appealing to the masses. The short-sightedness of the public authorities and of private operators induces us to assert that the loss in quality – both of the client-tourist and of the natural environment – may be compensated by the quantity, by growth in the number of tourists, hotels, complexes to host tourists and entertainment places in general.

Very soon the unsustainability of such a strategy oriented towards tourism for the masses, emerges in both its economic and environmental negative consequences. The elasticity of the demand for tourist services – when faced with a reduction in prices – beyond a certain level of decadence of these services and of environmental quality – shows a value which is inferior to the unit and shows a declining trend, with a consequential reduction in the profitability of the commercial tourist enterprises, in general. At the same time, the congestion created by the influx of a greater number of tourists determines a degradation in the environment, in the landscape, in the flora and fauna while transport and restaurant services reach levels which are incompatible with an efficient running of the businesses from an economic point of view. When such a situation reaches drastic limits, the whole region – from an initial situation of a sort of “heavenly isolated paradise” which justified “luxury tourism” – is hit by phenomena of tourist desertification, with serious situations of environmental deterioration, which are frequently irreversible, which are linked with bankruptcy and the flight of the more qualified tourist operators.

2.3 This hypothesis on the life cycle of tourist businesses finds numerous and punctual empirical proofs, both in OCSE countries, especially in various Mediterranean regions, even Italian ones, and in developing

countries. For the latter, the principle that “environmental conservation is a luxury which the poor cannot afford” frequently applies, in dramatic terms. Recent studies, carried out by international organisations, have pointed out that in the case of developing countries, the tourism sector is frequently in conflict with other production sectors and, above all, with traditional agriculture, in the allocation of scarce environmental resources, particularly water resources.

However, tourist desertification is not necessarily the inevitable result of the life cycle of tourist activities, not even in those countries where extreme poverty and lack of alternative activities can constitute an alibi for a short-sighted and greedy exploitation of environmental and natural resources.

Sustainable tourism is not only a utopistic choice, or anyway a privilege, only for the elite, as it was in the past centuries: even in the era of globalisation and of tourist activities on a wide scale tourism sustainability is a realistic objective for economic and environmental policies. However, it is worth underlining that the compatibility of the growth in supply of tourist services on one hand with environmental conservation on the other will be notably conditioned by the particular solution given for a series of complex problems, briefly stated hereunder:

Level of concentration of tourist business: the more the supply of tourist services – with both fixed and mobile infrastructures which condition it – is concentrated in the territory, the higher the risk of damages to the environmental equilibrium [QUERINI, 1999]. Such damages will get worse, especially in developing countries, if the pressure of tourist services tends to add up to the pressure on environmental resources of other productive businesses (agriculture, mining, fishing), which already critical in those regions of a particular country, which are highly populated and industrialised. Generally speaking, these costs of congestion will result much higher than the possible economies of scale which can actually be reached in the services and in the infrastructures with the concentration and the spreading of the tourist business themselves. Therefore, both in those countries which are economically advanced, but above all in developing countries, usually it is to be hoped that a high level of decentralisation of tourist activities is achieved through the utilisation of advanced “clean” technologies, such as biological agriculture, solar energy and the recycling of wastes.

Integration with the local ambient: a rigorous conservation of the natural environment, thanks to the maintenance of technological, cultural and traditional values, which have some times been perpetuated for centuries in the local populations, which it usually seems hard to reconcile with an influx of a massive kind of tourism, inevitably oriented towards a cultural genocide with a show off of its hedonism and its capability of consumption. The defence of the natural environment, especially in poor countries, seems to be linked to the conservation of the traditional culture, in its various expressions: the use of agricultural land, water control, eating habits, social and housing architecture, use of free time. The creation of a new supply of tourist services should not only respect these local cultural customs but also increase their potentials with the aim of launching a fruitful dialogue between the various elements: the local resident, jealous of his own cultural originality, and the foreign tourist, who is keen on discovering new places and different life styles, in the hope of a tourism that is more responsible towards our common heritage.

The contribution that a far-sighted strategy of a growth in tourist supply can directly offer towards the conservation of the environment is not to be neglected, especially in developing countries, which are to-day the most threatened by an irreversible ecological degradation. Moreover, tourism can indirectly induce growth in the awareness of the public opinion on great ecological issues, having a world wide dimension, both at an international and a national level.

The solicitations coming from both the public opinion and the scientific community show that the task to draw out and accomplish the technological instruments which are necessary for the conservation of natural and environmental resources differ greatly from one country to another. From various research projects carried out by international institutions one comes to the conclusion that major environmental problems crop up at a local level, and have to do mainly with the elimination of toxic or dangerous wastes, as well as water pollution. Instead, at a global level, public opinion is particularly worried by the progressive disappearance of forests and by sudden climatic changes.

Any “ecological scenario” one may assume for the coming decades it is extremely probable that each country will have to face phenomena both of scarcity of certain natural resources (natural and forest resources) and above all, air and water pollution. This means that such problems will no longer be on a national scale but on a world wide scale. At this point a crucial question crops up: will scientists and those involved in technology have enough common sense and motivations to solve the problems that the ecological scenario now offers in an urgent and unprocrastinable manner?

A historical analysis of technological changes does not reply to the worrying question if scientific progress should proceed in a completely independent manner with respect to the economical sphere – and only subsequently it could become a source of productive innovations – or if the casual process is actually moving in the opposite direction. In the sense that the autonomous evolution of the production of goods and services – to satisfy the necessities of mankind, expressed on the market through prices – is prosaically the real driving force of scientific and technological discoveries. However, whatever the most probable interpretation of its role may have been in the past, it now seems ever more evident that, in the present situation, public opinion and economic agents put their trust especially in science to gain a tranquilizing solution for the emerging scarcity of natural and environmental resources. The performances of science – especially in the last decades – seem to be reassuring as far as its capability of overcoming the challenge that such emerging scarcities present. There is, however, an evident risk: that technological solutions, imposed at an international level, in the name of presumed cultural primates and arrogant political imperialisms – may lack in flexibility and the promptness necessary to be able to face situations which differ greatly on a world wide scale.

The general trust in the capability of the scientific community to overcome the scarcity of natural resources – above all if it is capable of overcoming the national and scientific perspectives - points out, however, the risk that at the end one meets another limit, the only one which it is really impossible to overcome for the survival of mankind: the lacking cultural and ethical capability of respect for the poor and those who are “different”, their dignity and their right to a creative and decent survival.

### 3. Concluding remarks

Tourism, as a world-wide phenomenon, touches the highest and deepest aspirations of all people and it is also an important element of socio-economic and political development in many countries. Governments, other public authorities, public and private decision-makers whose activities are related to tourism, and tourists themselves, consider it a priority to protect and reinforce the human dignity of both local community and tourists. Because of this all these agents have registered a growing concern in sustainability as a guiding principle to allow the integration of economic development with environmental and social aspects within tourism policy and strategy.

But the incorporation of sustainability in tourism development is not a self-evident issue but a politically contested one, if the different interpretations of the concept which have been identified are taken into account. These differing, sometimes conflicting, interpretations are not accidental, but rather the outcome of particular ideologies, varied disciplinary backgrounds, value systems and vested interests. Despite the wide range of varying definitions, at its core tourism sustainability lies :strong emphasis to three simple concerns:

- the need to avoid the uncontrolled destructive degradation of the environment and the loss of local identity, while respecting the fragile balance that characterises many tourist destinations, in particular environmentally sensitive areas;
- the need to actively pursue and strengthen the quality of life and equity between present generations;
- the exigency not to reduce the opportunities offered to future generations.

If the core elements of tourism sustainability - ecology, economy, and equity - are to be taken into consideration for balanced strategies, there are many gaps in our knowledge that need to be filled if we are to be successful in controlling tourism in a way that puts this important economic sector onto a sustainable development path. Several analyses have emphasised this point. Nevertheless, there are no definitive answers, particularly in the field of fairness and distributional justice of tourism options. This paper has identified issues for future consideration, especially in view of making tourism become compatible with the conservation of major ecosystems and with the preservation and good use of historical-cultural heritage.

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