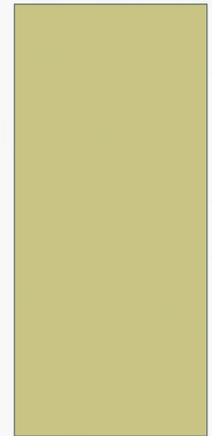


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The role of tourism in sustainable economic development

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1. INTRODUCTION

- Tourism is one of the largest and fastest growing economic sectors in the world.
- Tourism may positively influence the economic condition of a country or a region but it can also have a negative impact, especially on nature.
- Indiscriminate growth of tourism-related activities may deteriorate environment and threaten the future development of the tourism industry.
- Environment and culture are among tourism's most valuable assets and have to be protected.
- Sustainable tourism has three interrelated dimensions: environmental, socio-cultural and economic.
- It suggests optimum use of resources, minimization of ecological, cultural and social impacts on tourism destinations and maximization of benefits for host communities.
- This lecture has two goals:
 1. To analyze the relationship between the tourism sector and sustainable development;
 2. To outline possible policies and strategies for sustainable tourism development

2. THE RELATIONSHIP BETWEEN TOURISM AND SUSTAINABLE DEVELOPMENT (SLIDE 1 OF 5)

- Sustainable development gained worldwide popularity after the Brundtland report [WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT, 1987].
- It defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.
- The Brundtland report emphasized the “essential needs of the world’s poor, to which overriding priority should be given”, and “the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs”.
- It encouraged discussions on the environmental consequences of industrialization and renewed the interest to the constraints of economic growth. Sustainable development became an explicit goal in the global agenda.
- The Rio Conference [UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT, 1992] initiated a worldwide commitment to the principle that the right to development must be exercised in a way that satisfies social and environmental needs of current and future generations, in an equitable manner.

2. THE RELATIONSHIP BETWEEN TOURISM AND SUSTAINABLE DEVELOPMENT (SLIDE 2 OF 5)

- Though the concept of sustainable development has fast found a decent place in domestic and international policy agendas, economists have been slow in providing adequate responses to many important issues [HOWARTH, 1997].
- Implications and limitations of the concept of sustainable development have not been studied deep enough, especially when the paradigm of sustainability has been applied not only globally, but also at smaller territorial levels - national, regional and local [NIJKAMP, 1993].
- A clear interpretation of the notion of sustainability is lacking in many analyses of sustainable policies, since this may depend on underlying subjective or ideological views [CREACO, 2001].
- The difficulties in defining sustainability at the various levels and the related incomprehension of how sustainability at different decision-making levels is related, undermine the theoretical foundations of and effectiveness of the policies for sustainable development.
- There is a broad consensus that sustainable development is based on two main ideas:
 1. Development is only possible if a sound balance exists between the components, which contribute to the general function of natural environments – the function of life support;

2. THE RELATIONSHIP BETWEEN TOURISM AND SUSTAINABLE DEVELOPMENT (SLIDE 3 OF 5)

2. The current generation has a moral obligation to future generations to leave sufficient social, environmental and economic resources for them to enjoy levels of well being at least as high as our own.
 - If the three dimensions of sustainability are ecology, economy and equity, the relationships of economy with ecology and equity are key determinants of sustainable development.
 - In a systematic approach, sustainability can be viewed as an “exercise in the conditional optimization and fine-tuning of all elements of the developmental system so that system, as a whole, keeps its bearings without one of its elements surging forward to the detriment of the others” [FARREL-RUNYAN, 1991].
 - “Four basic world views can be distinguished, ranging from support for a market and technology driven growth process which is environmentally damaging, through a position favoring managed resource conservation and growth, to ‘eco-preservationist’ positions which explicitly reject economic growth” [PEARCE-TURNER, 1990].
 - These world views involve different moral values and vary from the extreme resource preservationist paradigm to the extreme resource exploitation stance [TURNER, 1995; HEDIGER, 1999].

2. THE RELATIONSHIP BETWEEN TOURISM AND SUSTAINABLE DEVELOPMENT (SLIDE 4 OF 5)

- “Weak” sustainability is an economic value standpoint which is based on the neoclassical capital theory.
- The concept of “strong” sustainability supports the vision of environmental economics that “the economy is an open subsystem of the finite and non-growing global ecosystem” [HEDIGER, 2000].
- There are a lot of studies on the relationship between tourism and sustainable development [BROWN-TURNER-HAMEED-BATEMAN, 1997; FOSSATI-PANELLA, 2000; CLARKE, 1997; COLLINS, 1999 and many other].
- The search for a sustainable tourism policy suggests a cost-benefit analysis of the tourism industry.
- The socio-economic benefits from tourism can be classified as follows [PEARCE, 1991]:
 1. Inflow of foreign exchange earnings;
 2. Creation of jobs and reduction of poverty;
 3. Diversification of the economy;
 4. Rise in income levels;
 5. Increase in fiscal revenues.
- Due to the diverse nature of tourism activities, tourist products sharply differ from traditional private goods .

2. THE RELATIONSHIP BETWEEN TOURISM AND SUSTAINABLE DEVELOPMENT (SLIDE 5 OF 5)

- Pure and impure public goods and private goods with mixed characteristics occur in tourist market.
- This mixture of goods cannot be encapsulated by a market system, therefore a sound economic evaluation of tourism benefits is not feasible for most policies.
- The benefits from tourism have to be considered in the light of the pressure of tourism businesses on the natural, cultural and socio-economic environments.
- Uncontrolled growth of tourism aimed at short-term benefits may result in destruction of the very basis on which tourism is built and thrives.
- In order to be sustainable, tourism development must be:
 - Ecologically bearable in the long term;
 - Economically viable;
 - Ethically and socially equitable for local communities.
- The main question is: “How to achieve sustainable tourism development?”
- Section three of the lecture tries to answer this question.

3. POLICIES AND STRATEGIES FOR SUSTAINABLE TOURISM DEVELOPMENT (SLIDE 1 OF 5)

- In 1988 the World Tourism Organization defined sustainable tourism 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”.
- The Charter for sustainable tourism adopted in Lanzarote in 1995, stressed the necessity to develop tourism which “meets both economic expectations and environmental requirements, and respects not only the social and physical structure of its destination, but also the local population”.
- The concept of sustainability has both an ecological aspect (conservation of the natural equilibrium of all components of the natural environment) and an anthropological aspect (persistence of enjoyment of this environment in spite of growing tourist flows).
- There is a strong relationship between the two characteristics (ecological and anthropological) of sustainability in the tourism sector.
- The degradation of the natural environment provokes a slowdown in the tourism activity, with substantial consequences at a social and economic level.
- In turn this may lead to a loss of interest to the conservation and good use of natural and environmental resources.

3. POLICIES AND STRATEGIES FOR SUSTAINABLE TOURISM DEVELOPMENT (SLIDE 2 OF 5)

- The interaction between environmental deterioration and economic profitability can be viewed through the prism of the life cycle of tourism businesses.
- This cycle starts in areas of great value both in culture and in landscape, when the territory is characterized 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 loss in quality – both of the client-tourist and of the natural environment – cannot be compensated by the quantity, by growth in the number of tourists, hotels, complexes to host tourists and entertainment places.
- The tourism for the masses is unsustainable and has negative economic and environmental 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 below one and shows a declining trend, with a consequential reduction in the profitability of the commercial tourist enterprises.

3. POLICIES AND STRATEGIES FOR SUSTAINABLE TOURISM DEVELOPMENT (SLIDE 3 OF 5)

- The congestion created by the influx of a greater number of tourists determines a degradation in the environment, while transport and restaurant services reach levels which are incompatible with an efficient running of the businesses from an economic point of view.
- The region is deserted by tourists, its environment is left deteriorated and a lot of local businesses go bankrupt.
- BUTLER's life cycle theory captures the five stages of development of the tourism business.
 1. Exploitation - small numbers of adventurous visitors, simple facilities, unspoiled natural, cultural and environmental resources, and undisturbed local communities.
 2. Involvement - the local community is engaged in tourism activities: facilities and infrastructure are built; different agencies, authorities and organizations are involved in the development, management and implementation of tourism industry; the tourism market is defined and maintains a balance with other economic activities.
 3. Development - the area is experiencing an exciting and dynamic period of growth and evolution. The destination is clearly defined: attractions have been developed, and planning tourism is undertaken as part of overall development plans for any area. Large numbers of new visitors continue to arrive, fuelling growth and, at peak periods perhaps equaling or exceeding the numbers of local inhabitants.
 4. Consolidation - the volumes of tourists is still increasing, but a declining rate. The destination is now strongly marketed and tourism is seen as a main instrument for regional and local economy, with an identifiable recreational business district containing the major franchises and chains.

3. POLICIES AND STRATEGIES FOR SUSTAINABLE TOURISM DEVELOPMENT (SLIDE 4 OF 5)

5. Stagnation stage - the highest number of tourists is achieved. The tourist area is no longer attractive and fashionable. It relies on repeat visits and business use of its extensive facilities and major efforts are needed to maintain the number of visits. The destination may by now have serious problems with wastes and other environmental, cultural and social costs.

- AGARWALL [1994] has suggested a *post-stagnation phase* where a range of possibilities exist. These essentially include: *continued decline*, in which visitors are lost to newer resorts and the destination becomes dependent on a smaller geographical catchment for daytrips and weekend visits, or different forms of *rejuvenation*, in which the area still remains as a tourist resort but deciding on new uses, new customers, new distribution channels and thus repositioning the destinations.
- The hypothesis on the lifecycle of tourist businesses finds numerous and punctual empirical proofs.
- In 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.
- 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. It may be avoided by formulating and implementing appropriate policies and strategies for sustainable tourism development.

3. POLICIES AND STRATEGIES FOR SUSTAINABLE TOURISM DEVELOPMENT (SLIDE 5 OF 5)

- Policies and strategies for sustainable tourism development should take into account the following factors:
 1. Level of concentration of tourist business. The more concentrated the supply of tourist services, the higher the risk of damages to the environmental equilibrium [QUERINI, 1999]. This risk can be mitigated by high level of decentralization of tourist activities through the utilization of advanced “clean” technologies, such as biological agriculture, solar energy and the recycling of wastes.
 2. Integration with the local ambient. The protection of the natural environment, especially in poor countries, is closely linked to the conservation of the traditional culture. The contribution a far-sighted strategy of a growth in tourist supply can make to the conservation of the environment is not to be neglected, especially in developing countries, which the most threatened by an irreversible ecological degradation.
 3. Relationships between tourism activities and technological innovations. Public opinion and economic agents believe science can find a solution to the problem of scarcity of natural and environmental resources. The risk here is that technological solutions, imposed at an international level, may lack in flexibility and the promptness necessary to tackle a resource crisis.

5. CONCLUSIONS

- Tourism is a world-wide phenomenon and an important element of socio-economic and political development in many countries.
- The core elements of sustainability (ecology, economy and equity) – should be considered in strategies for sustainable tourism development.
- Many gaps in knowledge have to be filled in order to formulate and implement effective policies for sustainable development of tourism.
- The policies and strategies for sustainable tourism development should be based upon the following guiding principles:
 1. The need to avoid the uncontrolled destructive degradation of the environment and the loss of local identity, while respecting the fragile balance that characterizes many tourist destinations, in particular environmentally sensitive areas;
 2. The necessity to actively pursue and strengthen the quality of life and equity between present generations;
 3. The exigency not to reduce the opportunities offered to future generations.

Thank you for your attention!