

ROUNDTABLE: “REGIONAL POLICY AND TOURISM”

Key policy issues for discussion

Introduction

1. Economic globalisation and the growing interdependence between countries are highly beneficial to the tourism industry, and are changing patterns of production and consumption, leading to greater competition, the emergence of new destinations, new marketing methods and the development of quality standards in line with a global market. The growing liberalisation of economies and of trade in goods and services, the development of rapid, safe and affordable modes of transport and the emergence of information technologies have been major factors in economic, tourism and leisure development. But these trends create new challenges for regional economies increasingly engaged in trade with the domestic and international economy.

2. Tourism and regional development are closely linked. Tourism policy, which is a tool for economic development and job creation, is becoming an instrument for territorial development and for enhancing and preserving an area's heritage. In many regions, the tourism industry is one of the greatest sources of economic growth and job creation. Tourism, through active promotion policies, can also become a tool for integrating less developed regions or giving them equal access to the fruits of growth.

3. Many public sector bodies, such as the National Tourism Administrations (NTAs), are involved in the planning, development, management and marketing of tourism at regional and local levels, but few of them have been specifically designed to work in this field.

4. One of the first major challenges consists of setting up mechanisms to improve the competitiveness and quality of tourism at regional and local levels in order to ensure the sustainable and balanced development of tourism at national levels, improve the industry's performance and make tourism areas more competitive at regional, national and international levels. A second challenge consists of reconciling local tourism development with the preservation and renewal of tourism resources.

5. This note will examine the linkages that exist between regional and tourism policies. Its objective is to raise some key issues chiefly of concern to those responsible for tourism policy. It will be used as a basis for the discussions of the Roundtable on “Regional Policy and Tourism”, which will be held in conjunction with the meeting of the Tourism Committee on 15 October 1999. Drawing on several experiences that will be presented, the Roundtable will seek to identify some avenues for improving the effectiveness of government action at national, regional and local levels in the tourism field, while trying to better understand the factors that affect the competitiveness of tourism companies at regional levels.

6. This note will focus on a few important questions:

- What is the impact of tourism on regional economic development, employment and land use planning? Are there good practices that might be adopted?

- What is the level of involvement of regions in tourism development? What is the nature of the linkages between tourism and regional policy? How can current policies and practices be improved?
- What is the role of the central tourism administration in the development of tourism at regional levels? To improve the overall competitiveness of the tourism industry, how can it strengthen its role and partnerships with the various regional actors of tourism?

Tourism, local economic development, land use planning and employment

Questions that might be discussed:

Is it possible to take advantage of tourism's growth potential to revitalise certain regions in decline on a sustainable basis and to make a positive contribution to land use planning? How might this be done, and what role does central government, presumably better informed than other levels, play in development choices?

Can sound tourism strategies contribute effectively to establishing a better balance among regions and to creating, diversifying and preserving jobs?

How can tourism development be combined with other types of activities as part of broader regional economic development policies? How can tourism contribute to social cohesion and convergence?

What is the economic importance of tourism at local and regional levels? What information is needed in this regard to be able to identify and quantify the role of tourism more accurately in order to help formulate appropriate policies?

Background

Tourism, which is one of the main service industries world-wide in terms of earnings and jobs, should, according to forecasts, continue to grow in coming years. It has contributed significantly to the domestic economic growth of many OECD countries (Spain, Turkey, etc.). At the same time, tourism has emerged as a major factor for regional economic development (France, Greece, Ireland, the United States, etc.). Whether international or national in nature, tourism has a major economic and social impact at regional and local levels in the areas where the tourism activities take place. Tourism, measured at regional levels, is an activity that is complex and many-faceted, like regions themselves.

Tourism has been highly beneficial to certain types of regions. These regions are mainly coastal (such as Emilia-Romagna in Italy), mountainous (Valais in Switzerland), urban and historic (Ile-de-France in France) or regions with exceptional natural resources (Quebec in Canada, Arizona in the United States); but regions with different profiles can also benefit from the growth of tourism. They can be rural, promoting green tourism, leisure and nature activities (Queensland in Australia), very remote, (Greenland in Denmark) or regions undergoing industrial restructuring (Nord-Pas-de-Calais in France). In all these regions, appropriate tourism strategies must be implemented by public and private decision-makers in order to maximise the benefits that the local economy can derive from tourism and to minimise negative

spillovers, in particular for the environment. These strategies can also contribute to broader goals, such as spreading activities more evenly over time and space and co-ordinating policies in an intersectoral perspective.

The regional development of tourism can, under certain circumstances, trigger general economic growth by creating a new dynamic. It can also contribute to better land use planning by countering rapid urbanisation in developed countries and by attracting populations to new regions where tourism is developing; but some guidelines for development must be laid down in order to preserve resources, ensure complementarity between areas and define tourism poles (which may not coincide with administrative boundaries).

We know how to define and measure the weight of tourism in national economies with increasing accuracy. This is far less true at regional and local levels, although the diversity and impact of tourism must also be measured at this level. Improving knowledge of the economic weight of tourism at regional levels is a challenge for policymakers and a necessary condition for implementing optimum development strategies.

The interconnection between regional policy and tourism development

Questions that might be discussed:

Regions' responsibilities in the field of tourism are increasingly broad. What are the main policy goals that lead regions to promote tourism (rural development, creation and preservation of jobs, land use planning, stimulus for small and medium-sized industries, support for agricultural reform, etc.)? What changes can be expected regarding the level of involvement, organisation and resources of regions in the field of tourism? What assistance do regions need in order to develop tourism (information on future supply and demand, etc.)? How do these changes affect the future missions and action of NTAs?

The various public service missions of central government and regional and local authorities should be mutually reinforcing and support the same strategic objectives. What are the fields in which action by the authorities might be made more complementary (statistics, innovation, R&D, promotion, etc.)?

Tourism can be a useful territorial development tool. What are the comparative advantages and drawbacks of tourism compared to other development sectors? What are the risks of an intensive development of tourism (over-specialisation of some generating markets, environmental impact, etc.)?

Considerable funds have been allocated to support tourism. What evaluations have been made of their real impact (environmental, social, and economic)?

What are the existing practices of co-operation between regions and with central government in the field of tourism development? Would it be advisable to implement broader regional co-operation plans, for example covering an area such as Europe? What is the nature of this co-operation (bottom-up, top-down)?

Background

One of the specific aims of regional policies is to reduce inequalities between regions in order to increase a country's economic and social cohesion.

It is obvious that tourism and regional development are closely linked. This has been shown to be the case in the European Union, for example, by the number of initiatives in support of tourism included in programmes granting structural funds. It is also clearly borne out by the OECD's various regional economic studies (Territorial Development Service), which often identify tourism as a possible development strategy. But these linkages are complex, for they vary not only with the type of regionalisation prevailing in a given country (decentralisation in France, federalism in Germany, etc.), but also with the typologies of the different regions (outlying and remote, intermediate or economically integrated), their tourism potential and the extent of the central government's commitment to play an active role in the regional development of tourism.

Regions and local authorities play a key role in the formulation of policy and the organisation and development of tourism. This has long been the case in federal states (Germany, United States, Belgium, etc.) and is increasingly true in other countries (France, Spain, and Italy). There are many tools and methods that can be used to develop tourism (organisation, planning, promotion, contracting out, etc.), and local and regional authorities must have solid skills in management, monitoring and operations. These tools and methods are implemented by a range of very different kinds of groups that associate communities, industry and various government bodies.

Tourism is a useful territorial development tool provided that it is based on planning and viable strategies for promoting the balanced development of the area, in which tourism will not necessarily become the dominant activity. Tourism development provides attractive opportunities for a number of providers of goods and services, especially in rural areas. It also helps to finance the infrastructure necessary for the economic development of an area and can give it a distinctive image and identity that will benefit all its economic activities.

Co-operation between regions is not always satisfactory. Regions often choose competitive development, even though they could develop complementary tourism products.

Implications for national tourism policy and future government initiatives

Questions that might be discussed:

Should national tourism administrations intervene to support regional tourism development? If so, should their role be one of guidance, regulation or co-ordination of regional and local tourism policies? How can current practices be improved (innovation, knowledge transfer, forward planning, support to decision-making, operational economic observation, etc.)?

Is the effectiveness of the policies implemented at regional level being correctly evaluated by NTAs? Are regional tourism policies sufficiently integrated into a multidisciplinary and intersectoral vision of regional economic development?

Which policy practices might be implemented at national levels to maximise the benefits of the initiatives launched by regions (for example, plan contracts in France)? How might these initiatives be better co-ordinated with regional policies? How might national tourism policy take better account of the territorial characteristics of tourism?

There are risks of duplication and even of conflict between the policies implemented at different administrative levels and in different regions. What are the main organisation and co-ordination schemes currently being used by NTAs? What policy tools and initiatives might be implemented to maximise

tourism development? Which practices can be recommended? How can tourism be promoted outside established administrative channels?

What studies should be undertaken to help understand and promote regional tourism development?

Background

The central tourism administration contributes to the overall, forward-looking vision of tourism, using it to provide support and guidance for the initiatives launched at regional levels and to facilitate co-ordination between tourism policies and regional policies so as to ensure that they are consistent.

Sustainable tourism development at regional and local levels requires a consistent approach at national levels in order to implement the necessary partnerships between regions, the central government and private actors. Regional tourism development objectives and national strategic objectives must also complement each other.

For central government, the challenge consists of reducing the disparities in tourism development, in both quantitative and qualitative terms, in order to strengthen the competitiveness and overall economic performance of the tourism industry. National policy can do much, but it must be based on regional development strategies that focus on more targeted approaches. Governments are increasingly seeking to devise appropriate strategies that make it possible to enhance the value of natural and cultural resources, while at the same time preserving them and ensuring sustainable economic development.