

Regional Perspective on Global Trends in Tourism

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Abstract

In a context of high growth and rising tourism flows, the pursuit of new experience-oriented services and symbolic values has led to demand segmentation. The leading regions in Europe in terms of inbound tourism tend to be smaller areas with strong seaside or mountain destination appeal and marked natural, historical or cultural vocations, but also specific industrial structures and managerial strategies able to qualify the tourism offer in terms of services, infrastructure, and entrepreneurial capacity. It is possible to assess the relation between the performance of this sector and local development creating a map of tourism demand in European regions.

Keywords: Global Tourism; Economic Development; Industrial Structure; Regional System

1. Evolving Research on Tourism

The growth of tourism at the global level highlights the continuous positive trend in term of arrivals and new destinations. The role of this sector as a driver of economic development, both at the national and local level, leads to reflecting on the opportunity to promote territorial resources and regenerate some destinations in a new perspective. Territorial strategies are moving strongly towards a territorial attractiveness objective and touristic branding policies that aim to promote local assets and specific features. Many scientific studies focus on the analysis of tourism demand, while others aim to describe the effect on local development in terms of employment, economic structure, quality of life and environment.

Tourism demand literature explores the role of the determinants and focuses on the evolution of the phenomenon to provide policy recommendations and evaluate the effectiveness of existing tourism policies, such as the effect of tourist income, exchange rates, destination prices relative to those in the country of origin and competing destinations on tourism demand (Sinclair, 1998; Song et al., 2003). In this research field, new approaches are emerging that move from the concept of the “experience economy” (Pine & Gilmore, 1999, Rizzi & Graziano, 2016) where the determinants of demand for products and services are no longer only linked to the physical characteristics of goods and services, but to the sensations caused by the

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consumption experiences. This model highlights the reduction in the share of consumption of material goods to the advantage of those linked to leisure, entertainment, travel, and self-enhancement activities. The notion of the “dream society” (Jensen, 2011) summarizes these features and underlines the role of new physical structures, such as theme parks, that are able to attract consumers (shopping centers, entertainment parks) and the role of new actors such as “storytellers” who accurately communicate products, places, experiences. These models refer to new contemporary economic sectors, such as cultural and creative industries that produce and sell experiences: tourism, media, music, art, entertainment, which seem to capture the new consumption trends.

From this point of view, tourism modeling literature analyzes the dynamics of tourist arrivals, as a whole or broken down into different types of tourism flows (Turner & Witt, 2001), tourist expenditure and revenues (Li et al., 2006), tourism employment (Witt et al., 2004), and tourism import and export (Smeral, 2004) as measures of tourism demand aimed at assessing the relation between traveler satisfaction and the fruition of the touristic product (Neal & Gursoy, 2008), exploring the psychological and emotional aspects of the travelling experience (Ram et al. 2013; McCabe & Johnson, 2013). Several studies focus on the importance of big events that allow tourists to live their journey in close contact with the environmental, human, and societal resources of destinations in a continuous creative process (Dalonso et al., 2014). Other analyses concentrate on assessing the impact and risk forecasting of negative events (Enders et al., 1992; Buda et al., 2014) using qualitative and quantitative techniques to describe the phenomena. Time series models and econometric approaches (Kulendran & Witt, 2003) have spread amongst scholars to model tourism demand. Historical research, scenarios, and the Delphi approach have attracted much interest to assess the effect of shocks on tourism demand especially in preventive approaches.

Local development literature highlights the role of tourism in terms of economic and social growth, and territorial competitiveness. Starting from the destination lifecycle model (Butler, 1980), several studies focus on the linkages between this sector and other economic activities, underlining what distinguishes tourism from other sectors, that is, the strong connections with territorial capital and primarily infrastructures, which are key factors for territorial attractiveness, but are themselves strongly dependent on tourism development (Boers & Cottrell, 2007). The enhancement of infrastructures through such development has a significant effect on the inter-regional and international mobility of people, knowledge, creative capital, and innovation (Shaw & Williams, 2009). The relationship among tourism and local environmental and social resources is a fundamental topic in regional science literature. Briassoulis and Van Der Straaten (2000) highlight the need for balancing profitability of the leisure industry and sustainability of tourism development, underlining the role of tourism planning as a tool for controlling the negative impact of anthropic pressure and for protecting environmental resources. Solima and Minguzzi (2012) show on one hand the function of tangible or intangible cultural heritage as driver of competitiveness of tourism destinations, on the other hand the role of the leisure sector in improving promotion of cultural and historical resources and in strengthening of local identity. Starting from these ideas, Sánchez-Rivero and Cárdenas-García (2014) identify tourism as a main economic development input for poor and marginal territories because it constitutes an incentive to enhance and promote territorial assets which are the main sources of

competitiveness. In this perspective we are witnessing the recent proliferation of research into quality of life and wellbeing that has involved the tourism sector too. Tourism experiences and activities have a significant effect on both tourists' life satisfaction and wellbeing of residents of host communities. Kim et al. (2013) tests a theoretical model that links community residents' perceptions of tourism impact (economic, social, cultural, and environmental) with residents' satisfaction in particular life domains (material, social, emotional and health life). The study shows that tourism experiences and activities have an important impact on both tourists' overall life satisfaction and wellbeing of residents and it depends on the stage of tourism development in the community.

In order to determine the economic and social effect of tourism, different theoretical and empirical studies have been developed in the last decades. The incidence of the tourism industry is considered in terms of regional or national value added or in terms of employment. From this point of view estimates of the tourists' direct and indirect expenditure in the destination area are realized through ad hoc sample surveys. Different methodologies are used, such as input-output analysis or calculation of the Keynesian multiplier applied to income, production or employment (Cooper et al., 2008; Corti, 2016). The analysis of cost-benefit, on the other hand, covers both monetary values as well as non-monetary ones: not only financial flows are considered, but also the costs and benefits in a broad sense, relating them to the whole community and translating all the disadvantages (costs) and all the advantages (benefits) that tourists determine on the territory and the host population into monetary terms.

2. International Tourism Scenarios and New Market Segments

The growth of international tourism in the last decades has been impressive: the number of international arrivals grew from 25 million in 1950 to 278 million in 1980, from 674 million in 2000 to 1,186 million in 2015, with an annual growth rate of over 3%, which was negative only in 2009 as a result of the international recession caused by the subprime mortgage crisis and the financial storm.

According to the data of the World Tourism Organization (UNWTO, 2016) both arrivals and international tourism receipts grew (respectively by 4.6% and 3.6% in 2015) faster than trade for the fifth consecutive year.

Tourism now accounts for 7% of total exports and 30% of service exports, while income generated by international visitors on accommodation, food and beverages, entertainment, shopping and other amenities is about 1260 billion dollars in 2015, with an increase of 3.6%, taking into account the fluctuations in exchange rates and inflation.

Arrivals in the Americas, Asia and the Pacific grew by about 6% every year, in Europe by 5%, while in the Middle East only 2% and arrivals, on the contrary, registered a decrease of 3% in Africa, especially for the drastic slowdown of flows to North Africa and Arab countries, at the center of dramatic geopolitical conflicts. Analyzing international arrivals by destination, 51.2% of inbound tourism (653 million) is still directed to Europe (which represented about 70% thirty years ago), while Asia and the Pacific accounted for 23.5% (279 million), the Americas 16% (193 million), Africa 5% (53 million) and the Middle East 4% (53 million). These shares are partially different from those concerning international tourism

expenditure: the European share drops to 36%, while Asian and American ones rise to 34% and 23% respectively, because of the higher length of stay in these destinations.

In terms of individual countries, the ranking of international arrivals presents some constants, such as the prevalence of France, USA, Spain, China and Italy in the top five in the last ten years. However, new international tourist destinations emerge, such as Turkey, Russia, Mexico and Thailand, Hong Kong, Macau and India in the East. Furthermore, the ranking changes if we consider international tourism receipts, with the US and China clearly at the top.

If inbound tourism by mode of transport is considered, air travel prevails (54% in 2015), followed by road trips (39%), whereas rail, inland waterway or sea transport represent a marginal share (2% and 5% of the total respectively).

Regarding the purpose of visit leisure sector, recreation and holidays account for 53% of the flows, while the VHR sector (visitors, friends and relatives), together with health and religious tourism account for 27%. The business constitutes a share of 14%.

In the context of continuous growth of the global tourism flows, a new segmentation of the tourist market emerges (Bellini & Brondoni, 2016). First of all, there is a renewed focus on sustainable tourism, aimed at respecting the principles of social responsibility and not exceeding the carrying capacity of the host territories, so that tourist activities develop without altering the environment or hindering the increase of other social and economic activities. Sustainable tourism is acting in compliance with ecological, socio-cultural and economic compatibility. In this direction we can identify some types of sustainable tourism that have shown increasing rates of development in recent decades. Cycle tourism is motivated by the need to balance traditional transport choices to wide-ranging forms of slow and sustainable mobility. Equestrian tourism aims at combining nature, sports and discovering wild places. Also new forms of "slow" tourism seek to develop a national network of soft mobility, which has as basic requirements the regeneration of abandoned land infrastructure (railways, road embankments, historical paths among others), integration among different users and distance from the ordinary roadway or, in some cases, protection of soft mobility and low traffic density. Similarly, the new types of active vacation are oriented towards responsible tourism based on the enhancement of natural and cultural heritage.

Food and wine tourism seeks to combine nature and culture, being an expression of territorial specificities; it is the result of an adaptation effort, of the rational exploitation of nature, it is the product of localized knowledge in a process ranging from farming to storing and cooking products (Brondoni, 2016).

The segment of wine tourism for example is connected to the development of "roads of wines and flavors" in almost all Italian regions, such as opportunities to discover the peculiarities of territories. For each area, a particular system of cultivation, production and aging of wine, of the "terroir interpretation" corresponds to each winemaker.

On the 'roads' cellars and private producers are in a network with operators in the hotel and catering industry in order to increase the quality of local integrated tourist.

Finally, religious routes and cultural itineraries related to pilgrimages are a further example of these new forms of slow and sustainable tourism (Pattanaro et.al., 2016). Cultural tourism seems to respond to new demands of experiences, made up

of environment, history, sharing activities, where ecotourism and the return to less artificial areas become assets to promote and enhance (Brondoni, 2016).

The new 'eso-tourism' approach (Soglia, 2015) suggests that the everyday cultural activities and experiences (concerts, theatre events, art performances), social interaction (interests, myths, personal relationships), consumption behaviours (brands, shopping places, iconic flagships) have an immediate implication in the definition of the value / importance of places and in the motivation to travel. In order to promote and develop tourism the quality of products and services should be considered as given and the efforts should be focused on what is indirectly connected to tourism: history, local culture, art and literature. Hence, territorial strategies point to the three Ts: testimonial, theme, territory. In other words, historical and actual characters or personalities, able to show the value of the tourist destination, both as cultural reference and a means of promotion and territorial marketing; the choice of "themes" and peculiarities of sites and places on which to focus territorial attractiveness; finally, the value of "territory" in its natural, artistic and material, but also cultural and intangible dimensions. That is why cultural tourism, literary parks, art tourism and spirituality pilgrimage can really represent the new competitive advantage of tourism, such as the "answer to Disneyland" (Rizzi & Onorato, 2011).

3. Analysis of Tourism in European Regions

In this section some tourism performance indicators are analyzed: arrivals and overnight stays, in absolute terms and in relation to the resident population, tourist accommodation establishments (hotels; holiday and other short-stay accommodation; camping grounds, recreational vehicle parks and trailer parks) and their endowment of rooms and beds. The aim is to test the role of tourism in regional development in European regions, with medium-long term values (2002-2012 average values from Eurostat statistics).

First of all, regions with the greatest tourist attractiveness in terms of overnight stays in accommodation establishment are both seaside tourism-oriented areas as Canarias (first in the top 30 with 83 million annual overnight stays over the decade), Cataluña (third), Islands (fourth) and Andalucía in Spain, Cote d'Azur and Languedoc in France, Mecklemburg in Germany and South Aegean (Notio Aigaio) in Greece, and major capitals areas such as Paris (second), London (seventh), Rome (16th), Amsterdam (17th), Madrid, Berlin. Also regions with a strong cultural touristic vocation, in particular Veneto (5th) and Tuscany (8th) in Italy, Aquitaine in France, Schleswig-Holstein in Germany, Salzburg in Austria and regions of mountain tourism such as Tirol (12°), Rhône-Alpes (13°) and Bolzano (19°) are in the top group of European regional ranking. Finally there are territories with more naturalistic attractions like Border, Midland and Western (14°) and Southern and Eastern (15 °) in Ireland and Pays de la Loire in France and some regions that show a mix of tourist vocations (sea-nature-art), such as Cataluña, Emilia Romagna, Aquitaine, Schleswig-Holstein and Campania.

Table 1: *Nights Spent at Tourist Accommodation Establishments by NUTS 2 Regions (Top 30 rank by nights per 1000 inhabitants; average 2002-2012)*

| Region | Nights | Nights per 1000 inhabitants | % share of non-residents | Annual % change of nights |
|------------------------|----------|-----------------------------|--------------------------|---------------------------|
| Illes Balears | 60642164 | 60660 | 88,5 | -0,2 |
| Bolzano | 27570848 | 56018 | 63,8 | 1,7 |
| Notio Aigaio | 16082213 | 50668 | 87,8 | 1,9 |
| Tirol | 32934392 | 47332 | 91 | 1,1 |
| Canarias | 82920522 | 42115 | 84,2 | 0,2 |
| Algarve | 15802268 | 37597 | 71,4 | 0,1 |
| Salzburg | 19038024 | 36250 | 74,7 | 1,8 |
| Ionía Nísia | 11319653 | 31803 | 84,9 | 3,9 |
| Trento | 14856889 | 28999 | 36,5 | 1,4 |
| Kriti | 15802504 | 25856 | 91,7 | 5,8 |
| Valle d'Aosta | 3195377 | 25686 | 32 | -0,2 |
| Cornwall and Scilly | 12840124 | 24584 | 7,4 | -0,6 |
| Corse | 6935721 | 23264 | 33,7 | 3 |
| Madeira | 5733037 | 23097 | 85,4 | 0 |
| Zeeland | 7980678 | 20997 | 39,7 | 0,2 |
| Kärnten | 10748181 | 19228 | 61,9 | 0,4 |
| Highlands and Islands | 8323664 | 18864 | 23,4 | 3,5 |
| Vorarlberg | 5833594 | 16059 | 87,1 | 1,6 |
| Åland | 432342 | 16008 | 60,1 | -0,8 |
| Inner London | 47108568 | 14935 | 83,6 | -9,2 |
| Mecklenburg-Vorpommern | 24127471 | 14265 | 3,1 | 2 |
| Cumbria | 7038503 | 14229 | 7 | 5,7 |
| Veneto | 59977679 | 12469 | 59,6 | 1,7 |
| Trier | 5956939 | 11586 | 38,2 | -0,7 |
| Drenthe | 5453773 | 11217 | 8,4 | 0,7 |
| North Yorkshire | 8699295 | 11147 | 9,9 | 3,8 |
| Toscana | 40739569 | 11120 | 48,4 | 2,4 |
| Languedoc-Roussillon | 26684340 | 10427 | 27,4 | 3,1 |
| Devon | 11658500 | 10400 | 9,2 | 2,2 |
| Dorset and Somerset | 11521613 | 9410 | 15,7 | 2,3 |
| Praha | 11245778 | 9346 | 90,8 | 5,7 |

Source: Eurostat.

If we consider the attractiveness capacity referring to the resident population, the ranking will substantially change, with small seaside-oriented regions, (Illes Balears, South Aegean, Canarias, Algarve, Ionía Nísia, Corse, Madeira, Zeeland, Kriti) and some mountain-oriented ones (Bolzano, Trento, Valle d'Aosta in Italy, Tyrol in Austria). The great capitals lose positions, with only London and Prague in the first thirty (Table 1).

In these regions, the flows of non-residents (foreign or domestic) are dominant with shares of more than 80%, of course for small islands like Kriti, Islands, South Aegean, Canarias, Madeira, but also for the capitals.

Finally, data on the annual growth in incoming flows over the decade shows a generally slight growth with some more dynamic areas such as the Greek islands, the North of Scotland, Cumbria and North Yorkshire in the North of England and Prague. Conversely 6 regions in the top 30 according to overnights indicator mark slightly negative rates of inbound tourism, with the more penalizing case of London.

The analysis of industrial structure of tourism and hospitality sector in the countries and regions of Europe shows some interesting results. Starting from national data, overnight stays indicator (by residents and nonresidents) shows a quite different ranking from the traditional reports on international arrivals, with Italy in first place followed by Spain and Germany and before France, which has

been in the top of world ranking according to international arrivals for over 10 years.

Furthermore, it emerges that the number of establishments (hotels and complementary accommodation) is much higher in Italy, the UK and Germany, revealing a very fragmented and pulverized industrial configuration in these countries (Table 2). In fact, the total number of touristic enterprises bring out the contrasting position of countries like Denmark, Portugal, Cyprus, the Netherlands and France, which are characterized by a more structured offer, with large size hotels or other accommodation.

This result is confirmed by the average size of the structures by number of beds, which still favors Denmark, Norway, Portugal and France. The lowest values of beds per establishment can be observed in Ireland, Italy, the United Kingdom and Greece, with wide diffusion of familiar and traditional accommodation, linked to hospitality forms such as bed & breakfast or small houses-vacation. This is the so-called ‘Irish cottages’ phenomenon, or ‘pensione Maria’ in Italy or ‘Kalimera xenonas’ in Greece.

The analysis of indicators according to the degree of urbanization of destinations offers interesting results. It distinguishes among cities, towns and suburbs, rural areas and mix-areas (Table 3). The analysis confirms the higher value of overnights per inhabitant in non-urban areas, both coastal areas and mountain territories (twice the value of urban ones), as well as confirm the value of the average length of stay (respectively 3.5 days versus 2.5). In contrast the dynamics of flows favors cities (+ 2.7% per year) in comparison to rural areas (+ 1.5%) or towns and suburbs. Thus the average size of accommodation establishments is more consistent in the city-regions (104 beds per accommodation) than the other areas.

Table 2: *Tourism Indicators by European Country (Top 30 rank by number of accommodation establishments; average 2002-2012)*

| country | Nights | Accommodation establishments | Nights per establishment | Bed-places | Bed-places per establishment |
|----------------|-----------|------------------------------|--------------------------|------------|------------------------------|
| Italy | 365570693 | 134925 | 2709 | 4477347 | 33 |
| United Kingdom | 257590343 | 84765 | 3039 | 2723362 | 32 |
| Germany | 326230485 | 54196 | 6019 | 3251427 | 60 |
| Spain | 363809171 | 37766 | 9633 | 3137054 | 83 |
| France | 321743678 | 28903 | 11132 | 5517824 | 191 |
| Austria | 100587160 | 20516 | 4903 | 946934 | 46 |
| Greece | 67441117 | 18386 | 3668 | 926780 | 50 |
| Ireland | 31953135 | 8504 | 3757 | 209000 | 25 |
| Czech Republic | 39472833 | 7883 | 5007 | 631806 | 80 |
| Poland | 52513350 | 7168 | 7326 | 599825 | 84 |
| Netherlands | 83647392 | 6995 | 11958 | 1190858 | 170 |
| Croatia | 39363686 | 6841 | 5754 | 506250 | 74 |
| Romania | 18432119 | 4522 | 4076 | 286260 | 63 |
| Sweden | 46336154 | 3994 | 11601 | 755375 | 189 |
| Belgium | 29670359 | 3610 | 8219 | 373690 | 104 |
| Hungary | 19617981 | 3170 | 6189 | 325578 | 103 |
| Slovakia | 11070858 | 2400 | 4613 | 163849 | 68 |
| Portugal | 44748773 | 2295 | 19498 | 455934 | 199 |
| Norway | 27268066 | 2252 | 12108 | 510799 | 227 |
| Bulgaria | 16079790 | 1857 | 8659 | 239355 | 129 |
| Finland | 18250210 | 1380 | 13225 | 219346 | 159 |
| Denmark | 27050970 | 1087 | 24886 | 396894 | 365 |
| Slovenia | 8035805 | 1017 | 7901 | 77902 | 77 |

| | | | | | |
|------------|----------|-----|-------|-------|-----|
| Estonia | 4294234 | 906 | 4740 | 41613 | 46 |
| Cyprus | 14477752 | 885 | 16359 | 91707 | 104 |
| Latvia | 2900365 | 626 | 4633 | 35961 | 57 |
| Luxembourg | 2479830 | 525 | 4723 | 66940 | 127 |
| Lithuania | 2759833 | 466 | 5922 | 27623 | 59 |
| Macedonia | 1309998 | 387 | 3385 | 43700 | 113 |

Source: Eurostat.

Table 3: *Tourism Indicators by Degree of Urbanisation (Average 2002-2012)*

| | Cities | Towns and suburbs | Rural areas | Mix | Total |
|------------------------------|--------|-------------------|-------------|------|-------|
| Nights spent per 1000 inh. | 4,03 | 6,65 | 8,80 | 4,04 | 6,27 |
| Average length of stay (day) | 2,49 | 3,37 | 3,49 | 2,68 | 3,05 |
| Annual Nights % Change | 2,75 | 1,81 | 1,53 | 2,50 | 2,07 |
| Bed-places per establishment | 104 | 90 | 97 | 88 | 95 |

Source: Eurostat.

Figure 1: *The Map of overnight stays in European Regions*

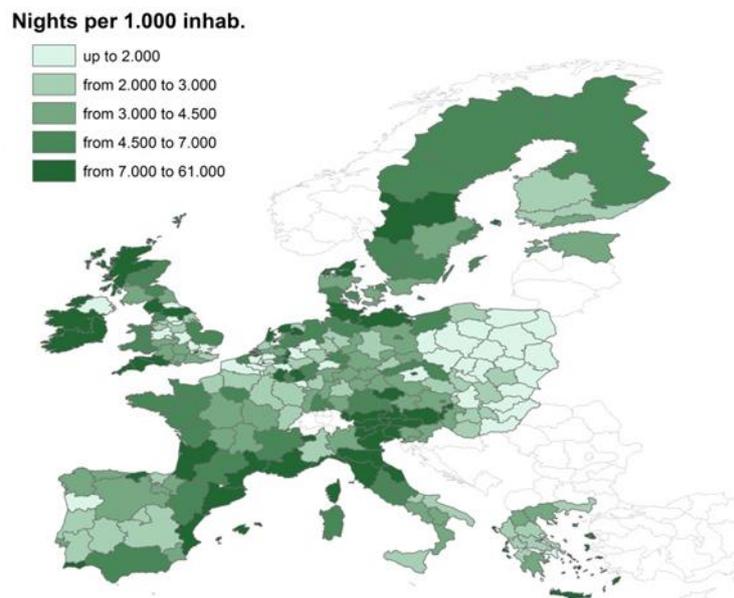
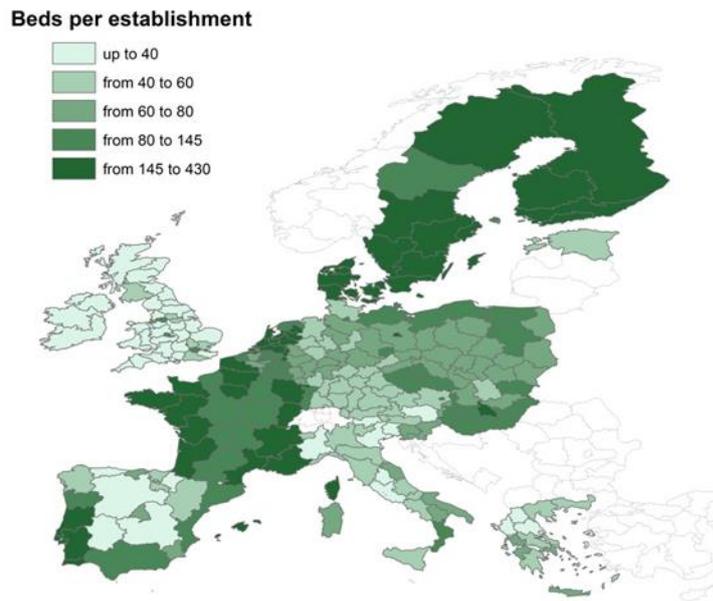


Figure 2: *The Size of Touristic Enterprises in European Regions*



4. Relations between Tourism and Socio-Economic Development

The analysis of the impact of tourism on local development is a useful tool for assessing economic effects but also the social and environmental ones in policy making process. The assessment should consider tourism as a stimulus for economic growth, because of its positive influence on gross income, employment and production but also the opportunity-costs arising from the risk of depletion of sectors not related to tourism. The dispersion of tourism expenditure outside of the local economy (for example the use of specialized personnel not present among residents), in terms of production or employment, or the crowding-out effect on activities of the same sector or in other ones are important phenomena to take into account. In this direction it is possible to measure the effect of tourist flows in terms of territorial resilience as well as in terms of cultural and social effects on residents. The socio-cultural impacts of tourism concern the effects on host communities and interactions between the tourism industry and the local system. The effect in terms of cultural openness, exchange of knowledge, interpersonal relationships appears as undoubted social benefits. When the changes brought about by the presence of tourists threaten the local identity or even provoke tensions and social unrest and environmental pollution and congestion, the negative impacts require careful balancing evaluation (Hall, 2005; Palmera et.al. 2013; McCabe & Johnson, 2013). In particular, there is the risk of "commodification" of popular, ethnic and religious traditions, generated by the aim to meet the expectations of visitors, or there is a possible erosion of natural hallmarks of places to the advantage of the artificial demand for souvenirs and entertainment. Furthermore, the local touristic system could experience a tendency to "standardize" the service: the proliferation of chains of hotels, tourist villages and restaurants that offer the same standards service in every corner of the world shows the tendency of the mass tourist not to expose themselves to the risks of individual exploration of the local environment. The social system could be affected by a 'cultural clash' among

residents and visitors, as a result of a failed meeting among different cultures, ethnicities, religions, values and lifestyles, especially when tourists do not respect local customs and moral/religious values of residents or when tourist flows exceed the carrying capacity of the destination.

Correlations among some regional tourism indicators (arrivals, overnights stays, accommodation establishments per inhabitants) and a number of variables of economic and social development (Tab.4) are presented. The aim is to carry out a first analysis of the role of tourism in local development at a regional level in Europe and to understand the interdependencies between economic and social dimensions, by using statistical associations. For the economic sphere we considered the GDP per capita and its annual growth over the considered decade. From the social point of view, the demographic balance, the net rate of immigration and the long-term unemployment rate are analyzed, on a regional scale. Finally, life satisfaction has also been included as an indicator of subjective well-being, which has now been measured for several years at an international level (Helliwell et.al., 2016). Since these variables are calculated as ten-year averages, they can highlight the medium and long term relationships.

All correlations confirm the expected results, with the exception of the per capita GDP growth rate. The direct link between arrivals, overnight stays and accommodation establishments appears obvious, indicating that tourism demand pulls the offer or it is otherwise related to the offer. High levels of touristic demand are positively associated with several aspects of local development. From the point of view of economic wellbeing, it seems to have an important role on regional income formation (per capita GDP). In terms of social wellbeing, there are positive links among tourism and the capacity of territory to maintain the existing demographic size and to attract new population from outside. That result is confirmed by the low level of long unemployment rate that is observed in the regions where touristic sector shows the best performances. Also from the point of view of quality of life, an important role of that sector emerge: the attractiveness of population and tourism seems to be positively associated with the indicator of life satisfaction.

Table 4: *The relationships among tourism and socio-economic development indicators*
 (correlation matrix; average 2002-2012)

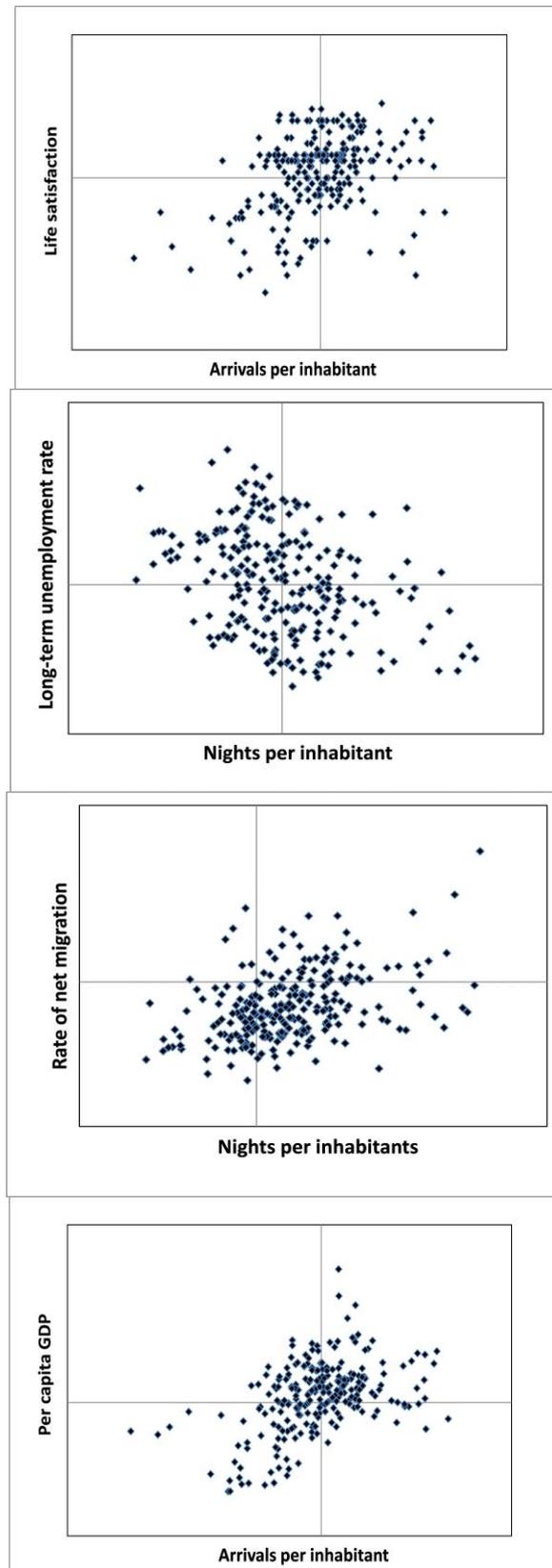
| | Arrivals per inh. | Nights per inh. | Establishm. per inh. | GDP pc | GDP change | Demographic balance | Rate of net migration | Long-term unempl. Rate | Life Satisfact. |
|---------------------------------------------|-------------------|-----------------|----------------------|--------|------------|---------------------|-----------------------|------------------------|-----------------|
| Arrivals per inhabitant | 1 | ,799** | ,709** | ,458* | -,198** | ,316** | ,359** | -,349** | ,372** |
| Nights per inhabitant | | 1 | ,708** | ,388* | -,300** | ,348** | ,399** | -,343** | ,257* |
| Accommodation Establishments per inhabitant | | | 1 | ,137* | -,320** | 0,113 | ,280** | -,213** | ,114** |
| GDP per capita | | | | 1 | -,262** | ,439** | ,366** | -,424** | ,606** |
| GDP annual % change | | | | | 1 | -,382** | -,368** | ,229** | -,019 |
| Demographic balance | | | | | | 1 | ,837** | -,443** | ,314** |
| Crude Rate of net migration | | | | | | | 1 | -,350** | ,223** |
| Long-term unemployment rate | | | | | | | | 1 | -,590** |
| Life Satisfaction | | | | | | | | | 1 |

Source: Eurostat. Significance of estimates: *** p<1%, ** p<5%, * p<10%

As if to say that the presence of inbound tourist flows is associated with high levels of economic welfare, high employment rates, demographic vitality and capacity to attract population from outside. The only exception is the one between tourist flows and growth of per capita GDP, because today the richest European regions are not characterized by more marked dynamics of production. The most dynamic areas are in fact the Eastern regions of Europe such as some regions of Poland (16 in the top 25, with rates over 5% per annum) or Slovak or Czech, followed by some German and Dutch regions. In these cases the determinants of local economic development appear more connected with new manufacturing trajectories led by direct foreign investments and new global value chains in the production systems.

In the last places of Gdp growth rate we find many regions of Greece (with negative percentage variation), some weak areas of Italy, the UK and Spain.

Figure 3: *The Relation between Tourism and Local Development in European Regions*



5. Conclusions

The results of this analysis highlight some elements that describe tourism demand and the relationship with local development, offering some new insights into the study of impact of tourist sector on territorial wellbeing from a multidimensional point of view. The correlations between performances of touristic sector and economic and social dimensions are presented. Also a measure of quality of life indicator is adopted. It is a first test for the role of tourism on local development, limited by the lack of data for the representation of economic, financial and organizational performances of regional touristic systems at NUTS 2 level.

Even though it is not possible to claim at this stage of analysis that tourism is an industry directly connected to economic growth, this analysis shows that, in the medium term, tourist flows co-determine the economic wealth and social welfare of regions and local systems, also in terms of subjective well-being. The next step of research will be focused on the causality linkages among tourism and dimensions of wellbeing, extending the range of independent variables for the representation of the other components of territorial capital that could influence territorial wellbeing together with local tourism development.

These empirical evidences could contribute to support the strategies of enterprises and other operators in the tourist industry. More frequent trips, shorter lengths of stay are combined with actual important trends, such as self-organization of tours to the detriment of touristic intermediation, also driven by the good performance of low cost offers. A new purpose of travel emerges: culture, social and responsible tourism, adventure but also slow tourism and wellness.

From this point of view the central role of entrepreneurs and managers in the tourism industry emerges. They have to orient their strategies towards efficiency, product and process innovation, economies of scale but also towards territorial branding and promotion in a perspective of local development.

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Annex

Table 5: Data description

| Variable | Description | Units of measurements | Source | Time |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------|------------------|
| Demographic balance | Total population change | % | Eurostat | 2000-2012 |
| GDP pc | GDP per capita in purchasing power parity | Euro | Eurostat | 2000-2011 (mean) |
| GDP annual change | Average Annual Growth Rate | % | Eurostat | 2002-2012 |
| Arrivals per inhabitant | Arrivals at tourist accommodation establishments per inhabitants | % | Eurostat | 2002-2012 |
| Accommodation establishments per inhabitant | Number of establishments, bedrooms and bed-places per inhabitant | % | Eurostat | 2002-2012 |
| Nights spent per inhabitant | Nights spent at tourist accommodation establishment per inhabitant | | Eurostat | 2002-2012 |
| Net migration | Crude rate of net migration from 2002 to 2012 | % | Eurostat | 2002-2012 |
| Long term unemployment rate | Share of unemployment which is long-term (12 years and over) | % | Eurostat | 2000-12 (mean) |
| Life satisfaction | Average score from 0 to 10 of people that replied to the following question: On which step of the ladder would you say you personally feel you stand at this time? | Index | OECD | 2014 |