

Sustainable Tourism Future

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The content of this course was developed by faculty from the following institutions:



A Sustainable Tourism Future

Destination managers together with travel agents and other industry stakeholders have a big, and sustainable, opportunity at present – and their key to unlocking the opportunity is their speed in following the market, identifying, and fulfilling its needs immediately.

These immediate needs, among others, will be value, real safety, lack of crowding, and security.

The mega travel and tourism organizations are generally inflexible in terms of their lack of being able to institute change quickly and decisively; cruise itineraries are set as are airline schedules. The same lack of flexibility applies to the large-scale Online Travel Agencies (OTAs) – their focus is market expansion and unit-cost reduction. Real change provides a serious challenge for them as it not only carries a cost for shareholders, but implies corporate disruption. This therefore appears to provide an opportunity for small-scale providers and connected destination managers in many unknown, remote, rural, peripheral, and little visited destinations to jointly convey the message of their existence and utilize the flexibilities and opportunities they are able to offer.

(Pg. 20-21) Kosčak, Marko, and Tony O'Rourke. Post-Pandemic Sustainable Tourism Management: The New Reality of Managing Ethical and Responsible Tourism, Taylor & Francis Group, 2021. ProQuest Ebook Central, <https://ebookcentral-proquest-com.ezproxy.humber.ca/lib/humber/detail.action?docID=6624244>.

Learning Outcomes

- Analyze the current tourism operating environment
- Develop understanding of key course concepts
- Recognize the opportunity for a sustainable tourism future created by the Covid-19 pandemic

Pre-Module Reading

In preparation for this module, students should read the following information from the hyperlink or accompanying course notes booklet.

- Jamal, T., & Budke, C. (2020). [Tourism in a world with pandemics: local-global responsibility and action](#). *Journal of Tourism Futures*.
- Acevedo-Duque, Á.; Gonzalez-Diaz, R.; Vega-Muñoz, A.; Fernández Mantilla, M.M.; Ovalles-Toledo, L.V.; Cachicatari-Vargas, E. [The Role of B Companies in Tourism towards Recovery from the Crisis COVID-19 Inculcating Social Values and Responsible Entrepreneurship in Latin America](#). *Sustainability* 2021, 13, 7763.

<https://www.emerald.com/insight/content/doi/10.1108/JTF-02-2020-0014/full/html>

<https://www.emerald.com/insight/content/doi/10.1108/JTF-03-2020-0044/full/pdf?title=covid-19-means-the-future-of-tourism-is-a-blank-piece-of-paper>



A macro-environment refers to the “major uncontrollable, external forces (economic, demographic, technological, natural, social and cultural, legal and political) which influence decision making and have an impact upon the performance of an organization or industry.

The tourism industry is affected by the macro environment however individual organizations or destinations rarely have the ability to influence it.

The macro-environment may also have a direct impact on the individual’s ability to consume and the sense of willingness to spend. Macro environment will have a major impact consumer’s spending habits. Consumer’s spending reactions based on the very broad macro environment will be closely watched by the corporates, economists and analysts as a measure of the economy's health and to make strategic plans.

<https://cleartax.in/g/terms/macro-environment>

We’re going to examine the major macroenvironmental factors that will have an outsized impact on the future of tourism. To do this we’ll focus on the near-term, medium-term, and long-term factors.

Photo by Photostore HK on Unsplash

Near-Term: Pandemic

CHARLES BRIDGE, PRAGUE – MAY 2014



CHARLES BRIDGE, PRAGUE – MAY 2020



The near-term operating environment will be dominated by the ongoing pandemic, new outbreaks, and its lingering after effects to the people and organizations around the globe.

“The COVID-19 pandemic has been disastrous in terms of the loss of human life, the physical and mental strains placed on large numbers of populations across the globe who have been quarantined in their homes, and in terms of the costs of dealing with the pandemic and supporting business and citizens through the period. Tourism has also been comprehensively damaged, not only in advanced economies, but also in those poorer developing economies where tourism provides a vital source of income and employment. (Pg.48)

The pandemic demonstrated that many destinations continued to focus on unsustainable target groups of tourists (e.g. low-cost air and cruise-ships). As the pandemic began and evolved these destinations were almost completely empty and as at the end of 2020 remain so (e.g. Barcelona, Dubrovnik, Venice). The pandemic exaggerated the context of the unresolved problem – connected with poor destination management – that of over tourism. This was insufficiently and unsuccessfully addressed in many destinations, and given huge and devastating prominence by the pandemic, due to travel restrictions and public health bans introduced in many countries. (Košćak & O'Rourke, 2021:49)

Left Photo by Øyvind Holmstad, CC BY-SA 3.0

Right Photo by ivabalk from pixabay

Discussion Question #1

- Is it possible for countries and destinations to apply the effects of the Covid-19 crisis in order to make tourism better? If so, in which way and with what measures? If not, explain why.

Medium-Term:



The Deglobalization process of political and economic fragmentation creates a complete new scenario where new players are taking control of local and regional economies and cultures (Brexit, trade wars), but also where local movements and trends are taking place. Each region and market offer culturally diverse reactions, opportunities and risks.
(<https://designthinkersgroup.net/tag/deglobalization/>)

“Deglobalization is the process of diminishing interdependence and integration between certain units around the world, typically nation-states. It is widely used to describe the periods of history when economic trade and investment between countries decline. It stands in contrast to globalization, in which units become increasingly integrated over time, and generally spans the time between periods of globalization.” <https://en.wikipedia.org/wiki/Deglobalization>

“As a reaction to the globalized economy, some political movements have confrontationally emerged in recent years. Major episodes such as the Brexit referendum (2016) or the elections of Donald Trump in the United States (2016) and Bolsonaro in Brazil (2018), as well as the outcome of other minor elections and referendums across Europe and the Americas, show that these trends are relevant. For James (2018) these episodes are the start point of a deglobalization process all around the world, which is evidenced by misalignment and confrontation between people and the Establishment (Inglehart and Norris, 2016). Regulations for building borders and protecting the market are being debated after a prolonged period of increasing deregulation.”
(Balsa-Barreiro et al, 2020) Deglobalization in a hyper-connected world

The pandemic has turbocharged the deglobalization process that was already well underway. The pandemic's onset has led to increased protectionism and onshoring, and has exposed the vulnerabilities of relying too much on efficient rather than resilient supply chains.

Deglobalization may alleviate some woes, such as worsening inequality, but it could come at the cost of impairing productivity, raising prices, slowing the growth of emerging markets (EM) and triggering even worse regional conflicts. The impact of Covid-19 is likely to be felt especially by those countries heavily reliant on tourism and migration as a result of the immobility of populations.

The regional ebbs and flows of the pandemic persist, countries may only reopen slowly, amid much stricter constraints on the flow of individuals. This will be coupled with a generalized hesitation amongst tourist to return to their pre-Covid travel habits due to safety concerns or lack of discretionary income. If people refrain from travelling abroad, the adverse impact would likely be first seen on countries that are heavily reliant on the tourism industry.

<https://www.nomuraconnects.com/focused-thinking-posts/deglobelization-the-past-and-future/>
Deglobalization may gain some momentum from the Covid-19 pandemic. On one hand, globalization has significantly boosted global productivity and narrowed cross-border gaps over the past five decades. On the other, it has also increased the rift between the social classes, especially within developed economies.

Image by design thinkers group from designthinkersgroupdotcom



While we may think of globalization as a recent phenomena with ever a historical process with evr increasing regimes of global integration, it is not. This infographic shows that globalization ebbs and flows.

As Balsa-Barreiro, et al (2020) note, “the recent rise of deglobalization movements across the world highlights the local negative externalities of poorly designed networked structures at the global scale: high social complexity derived from immigration shocks, elevated risk of contagion in financial downturns, as well as increasing inequality and social polarization. While global interdependencies on networks enable opportunities for cultural and economic growth, they also establish channels for unresolved conflicts and design errors to propagate across social systems.”

Brexit, U.S. Isolationism, Growing anti-migrant sentiments, Independence movements – Scotland, Catalonia, Mindanao Philippines, Kurdistan

Infographic from <https://www.nomuraconnects.com/focused-thinking-posts/deglobalization-the-past-and-future/>. Reproduced through Fair Dealing copyright exemption.

Medium-Term: Political Instability



Impacts

- Destination Image
- Mobilities
- Safety

Political instability often occurs where a government has been toppled, or is controlled by factions following a coup, or where basic functional pre-requisites for social-order control and maintenance are unstable and periodically disrupted. William (2008) holds that political instability refers to a situation in which conditions and mechanisms of governance and rule are challenged as to their political legitimacy by elements operating from outside the normal operations of the political system.

Clearly, there are varying degrees of political instability. For example, Italian governments in the past have had very short life spans, perhaps due to the nature of the Italian political and electoral system. Nevertheless, the Italian system has generally managed to adapt and change to the demands placed upon it. Similarly, the People's Republic of China has also been reasonably stable despite other state communist regimes collapsing in Eastern Europe. Political stability is therefore not a valid judgment as to the democratic nature, or otherwise, of a state. Indeed, it may be the case that certain authoritarian states that limit formal opposition to government may provide extremely stable political environments in which tourism can flourish. For example, the perceived nature of political regime as repressive may not necessarily deter international tourism: both Spain and Portugal develop their very considerable international tourism industries under what many would regard as fascist dictatorship (William, 2008).

Ingram, H., Tabari, S., & Watthanakhomprathip, W. (2013). The impact of political instability on

tourism: case of Thailand. Worldwide hospitality and tourism themes.

The issue of political stability and political relations within and between states is extremely important in determining the image of destinations in tourist-generating regions and the real and perceived safety of tourists (Hall 1996).

The media through books, magazines, newspapers, satellites and cable links has a substantial influence on images of destinations, especially as media selects particular representations and interpretation of places, events and images which would have the greatest influence on creating stereotypical images of a tourist destination in tourist –generating regions. Warfare, coups and political strikes or protests causes problematic concerns in the tourism development and the attraction of visitors. (Ryu, 2005)

As Ankomah and Crompton (1990, p19) suggest, a major consideration in a potential traveler's decision to visit any foreign destination is that country's political stability and general internal security conditions. Any evidence of domestic turmoil is likely to result in a decision not to visit that country. (Ryu, 2005)

Photo by Joanna from Flickr (CC BY-NC-SA 4.0)

Long-Term: Climate Crisis



Climate change alone has the capacity to create famine, flooding, and human dislocation on a scale far exceeding the Covid-19 pandemic.

Globally, the annual number of officially recorded natural disasters is growing rapidly (Ritchie and Roser, 2019). Although the term “natural disasters” may erroneously suggest that all disasters are caused by natural events, the majority are in fact driven by the course of human action. Indeed, the ever-increasing anthropogenic contribution to climate change has accelerated the number, magnitude and frequency of extreme weather events with their well-documented disastrous consequences for regional and local socio-ecological systems (Hallegatte, 2016).

“Although natural disasters impose significant damage on all economic sectors, the tourism industry is particularly vulnerable to their impacts (Ritchie, 2004). Natural disasters not only terminate business operations of specific tourism enterprises (Nguyen et al., 2017), they also, by creating the so-called cascading effects, destroy the critical infrastructure of entire tourist destinations (Pescaroli and Alexander, 2016). This disrupts tourism supply chains that are extensive and fragile (Becken and Hughey, 2013). Most importantly, this interrupts tourism demand by reducing tourist flows, thus making a lasting negative effect on the destination and the tourism

industry within (Granville et al.,2016).” (Gde, I. B., Filimonau, V., Ni Made, S. W., & Suryasih, I. A. (2021). The future of tourism in light of increasing natural disasters. *Journal of Tourism Futures*, 7(2), 174-178. doi:<http://dx.doi.org/10.1108/JTF-10-2019-0107>)

“The multiple interactions between tourism and climate are complex with the consequences of change being both difficult to predict and manage. This is because the component systems are themselves now recognized to be non-deterministic and non-linear. It is thus difficult to predict the nature of future climate-tourism interactions in a deterministic or even probabilistic way, including how components of the tourism system will change over time, as the system responds to climate change. As a result, implementing apparently appropriate policies and management procedures, be they tourism or climate related, will not necessarily reduce climate-related risks and maximize opportunities created by climate change. However, the tourism system as a whole will likely respond in a more orderly and hence predictable manner, governed by a number of underlying principles and relationships that determine how the overall system will respond, within broad parameters.”

Dr. Susanne Becken, and Prof. John E. Hay. *Tourism and Climate Change : Risks and Opportunities*. Channel View Publications, 2007.

Photo by ray_explores from wiki commons (CC BY-NC-SA 4.0)

Learning Activity

LIST THE WAYS THESE MACRO-ENVIRONMENTS IMPACT TOURISM

Near-Term

1. .
2. .
3. .
4. .
5. .

Medium-Term

6. .
7. .
8. .
9. .
10. .

Long-Term

11. .
12. .
13. .
14. .
15. .

For this learning activity, students should make a list of 10 environmental impacts created by tourism.

These impacts could be negative (eg. carbon emitted from the airplane) or positive (eg. tourist's park fees contribute to park warden's wages)



Course Concept Review

If consumption is to be viewed as a component of the overall concept of economic output. And if “tourism is seen as part of such a component of economic generation, then the perceived view would be that encouraging tourism consumption brings economic benefit to the host destination and nation. But that consumption in some cases comes at an environmental and social cost. For five decades, economic growth “has continuously increased resource use and pollutant emissions far more rapidly than these have been reduced through better technology”. (Wiedmann et al., 2020).

Photo by Culum Canally (CC-BY 4.0)

Sustainable Tourism Terms

- Regenerative
- Overtourism
- SDGs
- Circular Economy



Degrowth

- Refocusing the goals of tourism development



Degrowth and De-marketing

There are many ways to manage down tourist numbers. The first is to simply reduce the number of beds or other places to stay. Examples include refusing licenses for new hotels, reductions in Airbnb capacity or reduction in access for cruise ships.

Other methods include reducing or ceasing all marketing to the over-visited hotspots, or alternatively promoting other destinations that might need (and be able to manage) increased tourist numbers. Variable pricing is a further technique that is applied to reduce demand; it may form part of a strategy to target specific types of customer groups.

This might possibly sit uncomfortably with the ideal of making the world's heritage accessible to all, but without managing impacts the heritage may itself be damaged or destroyed. Thus, ultimately no-one will be able to benefit. However, there are solutions to this dilemma; pricing might be differential during peak seasons, or dynamic pricing could be applied at different times of day to deter visits to museums and other attractions at peak times. Recently, many destinations have introduced a tourist tax, which serves the purpose of limiting demand but at the same time generating income that is used to manage tourism and its impacts far better. (Košćak & O'Rourke, 2021:39-40)

Photo by Culum Canally (CC-BY 4.0)

Tourism as Consumption

If the world's economic pie cannot increase, it must be sliced in different ways.



The top 10% of wealthy nations “are responsible for most of the environmental impacts and are central to any future prospect of creating safer environmental conditions”. (Wiedmann et al., 2020).

The cruise is a prime example of the impact of excessive consumptive behavior; tourism expenditure in this segment is generally driven by the wealthy 60+ age group who appear to have minimal environmental concerns and whose consumption of cruise vacations results in over-tourism and environmental degradation. The beneficial effect is mainly for the shareholders of the cruise companies and infrastructure companies (e.g. harbours and ports) which assist them.”

These and many other reasons to call for more responsibility from all stakeholders involved in the tourism management of their local destinations, be it in normal or extreme circumstances, such as the COVID19 pandemic. There is a growing sense that unchecked tourism spoils destinations whilst destroying cultures and environments. It is possibly now the time to rethink and restructure destination management and its performance and to commence with more responsible performance (pg.49)

Quote by Naidoo & Fisher (2020) Sustainable Development Goals: pandemic reset

Photo by Culum Canally (CC-BY 4.0)

Discussion Question #2

- How likely are travelers to return to their old habits – e.g. low cost/high volume vacation experiences?

Sustainability & Regenerative



Regenerative tourism is not focused on the sustainability of tourism per se but on the ways in which tourism can be a tool for local well-being, revitalization, and sustainability. It aligns with integrated local development approaches while focusing on micro-scale regeneration initiatives rather than “large-scale” regeneration plans.

The effects on ethical and responsible local tourism:

Local ethical and sustainable tourism may have the fastest ability to recover as it is based at a lower economic level and does not depend so greatly on foreign inbound visitors. In the transition period, which many countries may experience as they shift from lockdown through partial lockdown to health controls at borders, internal travel centered on local tourism may see the first recovery. This could include health and spa tourism, heritage and cultural tourism, adventure and active tourism and farm/agro-tourism. Family owned and operated tourism establishments will have a faster ability to reorganize and re-position, if they receive the correct marketing and promotional advice. To a certain extent, micro/small scale tourism enterprises operating at a local level with fewer than ten employees may have less sensitivity to the economic downturn and recessionary trends than larger scale enterprises. However, these businesses as a whole have less resilience due to their lower levels of capital support (e.g. a shareholder or bondholder base) and their greater difficulties

with cash flow.

Yet interestingly it may well be that micro/small scale tourism enterprises operating at a local level, which include family-owned businesses may have greater resilience. Why? Lower labour costs – particularly if they are family owned/operated and thus the labour input is highly flexible Integration with other economic activities – in the case of agro-tourism, small scale tourism activities are a spin-off from agricultural actions.

In addition to those medium-to-longer term future costs thereby implied (e.g. borrowing against future fiscal income), countries in the developed world are also having to face a future economic crisis over the short-to-medium term which may well eclipse the Great Depression of the 1930s.

Tourism \$ For:

- Building long-term resiliency insulated from external forces
- Supports public spending on key socio-economic sectors
- Environmentally sustainable public and private investment
- Sustainable employment
- Training in key skills including those linked to the culture and heritage of the destination.

Social responsibility has been recognized as a growing element in this pandemic era; for example in Venice citizens expressed their view that the city belonged to them first and that all tourism development should respect their needs first.

This then brings us to consider what will improve the lives of the inhabitants of tourism destinations but be economically sustainable. This may be income from tourism which:

- Is consistent and hopefully for the longer term not sensitive to external forces
- Promotes and supports public spending on key socio-economic sectors
- Engages with environmentally sustainable public and private investment development
- Boosts sustainable employment
- Provides training in key skills including those linked to the culture and heritage of the destination.

(Košćak & O'Rourke, 2021:39-40)

Discussion Question #3

- Has the Covid-19 pandemic created space for reflection concerning how countries and destinations wish to use tourism?

Collaborative Participatory Planning



Collaborative Participatory Planning

This all calls for absolute and effective collaborative participatory planning, which depends on a number of internal factors – adequate representation of interests, shared vision, goal accomplishment, good working relationships and open communication between destination stakeholders. This, in addition, requires strong leaders and administrative support, which every successful and responsible destination should seek and gain between partners and area stakeholders. In time of crisis, such as with the COVID-19 pandemic, this matters even more. (Pg.50)



Tourism's Future

Planning a better tomorrow

Experience Economy

The fundamental question is whether a destination will use tourism or be used by it.

With safety restrictions on social distance, high volume tourism products like inclusive tours and cruises has decreased in popularity. In its place, the demand for the Experience Economy has grown. And the great thing about the Experience Economy is that it is not dominated by the top 100 companies that until now have controlled the tourism industry. The Experience Economy is fragmented: at the moment there are some 200,000 micro-organizations run by people following their personal passions and creating some \$200 billion of revenue. (Košćak & O'Rourke, 2021) pg.23

Many unknown or under-visited destinations performed relatively well during the main summer season of 2020. Some of them even increased slightly the number of visitors or increased added value in selling local gastronomy and other products, whilst keeping the number of visitors steady and their sustainability standards as high as before the pandemic. (Košćak & O'Rourke, 2021:49)

Crisitunity

- crisis of mass tourism
- pause, reflect, and reset
- opportunities for local destinations

The COVID-19 pandemic brings us to pause, reflect, and reset. In pausing and then reflecting, we are required to consider the question of how we measure economic behavior in regard to tourism. Perhaps it is not “how many will come” or “how much will they spend” but rather “will they impact on the local environment positively or negatively?” and “Will they impact on the social and cultural values of the local community positively or negatively?”

The opportunities for local destinations result from the general public possibly being wary of crowded places and likely to shun air and cruise travel for a while yet. As these tourism options are heavily focused on profit generation having to pay back loans and losses incurred during the COVID-19 period, whilst dealing with lower occupancy rates and lighter load factors, will inevitably increase prices. Locally focused sustainable travel and tourism has the opportunity to offer new opportunities.

Differentiated and previously unknown destinations may become more saleable and there are potentially thousands of such destinations. DMOs and their partners have a strong and detailed awareness of the level of capacity in their destinations; this is due to the fact that unlike non-local operators, they have a detailed knowledge of their destination and its capacities. In this way clients may be impressed with unique knowledge and a unique offer. In the past most of mass tourism (99.9% of tourists) went to 0.01% of destinations – so a significant opportunity is represented. Kosčák & O'Rourke (2021) pg.23

Discussion Question #4

- During the pandemic, some locally focused and small-scale tourism has shown signs of being able to find new markets and display a degree of flexibility that larger tourism centers cannot display. Why is this?

Key Takeaways

- Tourism macro-environments present a risk and an opportunity for tourism
- Develop understanding of key course concepts
- Recognize the opportunity for a sustainable tourism future created by the Covid-19 pandemic

