Chapter 8
Tourism and Economic Resilience: Implications for Regional Policies

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Abstract Tourism is an important key sector in regional and national economies which appears to have often a favorable recovery potential after a shock, leading to the notion of resilience capacity of regions. In the context of a tourism-led growth mechanism, the concept of tourism-led resilience capacity is introduced (constituted of sustained tourism resilience and speed of recovery). The analytical framework is tested for the 2008–2012 financial crisis in European Union by examining relevant data from European NUTS 2 regions. The research is unfolded on two complementary axes: (a) assessing the resilience of the tourism sector, and (b) estimating the weight of tourism in the overall resilience performance of EU regions. Finally, several implications for regional and European policies are addressed as well, particularly related to the role of innovation and diversification in increasing the recovery speed following a disruption.

Keywords Tourism-led growth · Resilience · Tourism-led resilience capacity · Vulnerability · Resistance · Speedy resilience

8.1 Introduction

For decades, tourism has been considered one of the fastest growing industries in the world; due to its dynamizing effects on economic growth and job creation, it became a focal point of interest in the global economy, especially for lower income regions. In 2019, for example, its growth rate (3.5%) surpassed the growths recorded in healthcare (3.0%), retail & wholesale (2.4%), agriculture (2.3%), construction

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(2.1%), or the manufacturing sector (1.7%) (UNWTO 2020a), while in the previous years it managed to already overpass the growth recorded by information and communication technologies or financial services. In fact, for nine consecutive years (2011–2019), the tourism growth (3.5%) exceeded the growth of the global economy (2.5%) (UNWTO 2020a; WTTC 2020a). Its impact was substantial, with a direct relative contribution to global GDP of 3.1%, while its total contribution (direct and indirect) reached up to 10.2%. Moreover, tourism-related activities were sustaining in a direct manner 118 million jobs worldwide (3.8%), while over 313 million were considered as sustained indirectly (10%) (UNWTO 2019; WTTC 2020a).

The recent crisis generated by the COVID-19 pandemic brings into discussion the robustness of the tourism industry, as well as its intrinsic capacity to bounce back, especially for economies where tourism represents a key driver of growth and employment (UNWTO 2020b). At the time of writing this chapter (September 2020), there are no comprehensive final data on the impact of the COVID-19 pandemic on international tourism arrivals. However, the latest estimates of the World Tourism Organization indicate a temporary fall of 58–78%, depending on the time period of the gradual opening of international borders and the lifting of travel restrictions. This drop will likely translate into an overall loss of 850 to 1.1 billion international tourists and a loss of approximately $1 trillion in export revenues from tourism. According to the World Travel & Tourism Council, the current crisis will induce a drop between 30 and 62% in tourism-based GDP and jobs, which will account globally for a loss between $2686 and $5543 billion in revenues and between 98.2 and 197.5 million jobs (WTTC 2020b). At the time of writing the present study, no forecast was available on the long-term impact of the pandemic.

Despite the current pessimistic prognosis, previous crises have confirmed the high resilience performance of the travel and tourism sector. Even if this sector was among the most (if not the most) affected industries, displaying a vulnerability to various types of shocks (political, economic, or pandemics) (Papatheodorou and Pappas 2016; Scherzer et al. 2019; Sheppard and Williams 2016), it managed to bounce back and recover in shorter periods than other sectors (Romão 2020). For example, it took only 6 months for the tourism sector to recover after the September 11 attacks, 5 months after the SARS crisis in 2003, and approximately 10 months after the 2008 economic crisis. Therefore, more than ever, the need to understand the close relationship between tourism and regional resilience calls for sustaining efforts from academia and regional policy-makers to thoroughly scrutinize the short- and long-term shock effects on tourism, both globally and regionally.

The present study aims to introduce and analyze the new concept of tourism-led resilience capacity as a new anchor point for analysis and policy. It uses a comprehensive investigation of regions in the European Union to provide evidence-based findings and policy recommendations.

8.2 Tourism, Regional Development, and Resilience

The interdependencies between tourism and development have been evaluated and confirmed by multiple perspectives during the last five decades. The multiplier effects in the receiving regions, the high dynamics and efficiency in creating new jobs, the opportunities in terms of sustainable development for the lagging regions have promoted tourism sector as a priority in the long-term strategies for many countries and regions over the world. More recently, however, studies integrating a resilience-based approach instead a development-based one started to question the overall positive role of tourism activities. Tourism can induce economic resilience under certain conditions, but it can also represent a vulnerability factor, accelerating and amplifying the impact of a shock. For this reason, in-depth studies which can lead to a better understanding of tourism-resilience independences are required. This type of studies can actively contribute to more effective resilience-based policies from the perspective of the EU's objectives regarding sustainable development and territorial convergence.

8.2.1 Tourism and Regional Development

Besides the positive dynamics and the contribution to GDP growth and employment, several other important features make tourism a sector of great interest for national and regional strategies, especially for the lagging regions.

8.2.1.1 Tourism and Growth

Tourism activities are strongly connected with other industries (mainly handicraft, construction, food and beverage industry, agriculture, and transportation), which contribute to its multiplier effect (Pascariu and Ibănescu 2018). According to a WTTC study from 2012, the multiplier effect of the tourism sector is higher than that of other sectors such as communications, financial services, or education (WTTC 2012). Consequently, tourism can be seen as a key driver for growth and development (leading to the well-known tourism-led growth hypothesis) (Balaguer and Cantavella-Jorda 2002). The multiplier effect depends on a wide variety of factors (business environment, international openness, local industry competitiveness, economic diversification, the existence of value chains), and therefore the specialization of a region on tourism activities raises issues regarding dependency risks (foreign markets, foreign capital) and the diminishing role of other industrial sectors (Pascariu and Ibănescu 2018; Romão and Nijkamp 2017, 2018). However, numerous studies have confirmed the relationship between tourism and economic growth, justifying the use of tourism as a leverage mechanism for long-term

economic growth (Balaguer and Cantavella-Jorda 2002; Brida et al. 2016; Pablo-Romero and Molina 2013; Perles-Ribes et al. 2017).

8.2.1.2 Tourism and Convergence

Tourism manages to capitalize to a greater extent the low- and medium-skilled workforce and can be easily introduced in less capital-intensive and less innovative destinations (Jussila and Järviluoma 1998). Thus, tourism can be an attractive alternative for lagging regions focused, for instance, on agricultural activities or low-tech industries (Boujrouf et al. 1998; Ibanescu 2015). Being a form of direct export, tourism diversifies the opportunities of these regions on international markets and improves their export performance, contributes significantly to public budgets, can increase the attractiveness of tourism destinations for foreign direct investments, and stimulates the development of the SME sector and local entrepreneurship (Roudi et al. 2019; Sanford Jr and Dong 2000; UNCTAD 2020). As a result, the European Union considers tourism not only a strategic sector for sustaining economic growth and stimulating the competitiveness of the European economy but also an important driver of regional convergence. A series of studies has highlighted the ability of tourism to actively contribute to the reduction of development gaps between countries or regions due to its strong linkages with other sectors and actors of local economies (Dwyer et al. 2000; Khan et al. 2020; Pascariu and Ibănescu 2018).

8.2.1.3 Tourism and Community

Tourism is a labor-intensive industry, displaying one of the highest capacities to generate new jobs and to respond to the global objectives on women and youth employment participation (Jussila and Järviluoma 1998), thus generating social structural transformation in local communities and reducing poverty. All these aspects confirm the transformative role that tourism has in destinations and the ability to influence community well-being and its resilience (Brankov et al. 2019; Croes 2014). During the 2008 financial crisis, employment in the hospitality sector was less affected compared to other economic sectors (ILO 2013), a supplementary confirmation that tourism is generally more resilient than other economic sectors and can be a source of resilience performance for regional economies.

8.2.1.4 Tourism and Environment

A controversial topic regarding the relation between tourism and regional development is represented by the environmental effects of the tourism activities. While this does not represent the main topic of our chapter, it should be mentioned that adverse environmental effects are currently seen as one of the main issues generated by tourism activities. As of today, the discourse regarding tourism impacts on

environment is split between two approaches. On the one hand, tourism contributes to global warming by increasing CO_2 emissions; it is developing on the basis of high consumption of resources and energy, it generates considerable amounts of carbon-based pollution, it has a high degree of spatial concentration and density, and it contributes to environmental degeneration (Romao et al. 2017). On the other hand, the growing interest of tourists in environmental values leads to investments in projects for biodiversity conservation, reducing pollution and developing eco-markets and eco-products in accordance with the principles and conditions of sustainable development (Backen et al. 2020; Brankov et al. 2019).

Tourism is acknowledged in the EU policies on regional development and convergence as a leverage mechanism for economic growth and sustainable development. The European Union receives approximately 40% of worldwide international tourist arrivals and 31% of earnings, being the world's leading tourist destination (UNWTO 2020a). With a growth rate higher than the real economy GDP growth (2.3% in 2019, compared to 1.4%) and a contribution of 9.5% to total GDP, respectively 11.2% to total employment, 6% of EU overall exports and 22% of services exports, tourism is considered one of the most important and dynamic economic sectors in EU (UNWTO 2020a). In fact, many European regions have included tourism-orientated policies in their development strategies due to their high capacity of stimulating the economy of destinations. Moreover, in some regions, tourism has been considered a sector of smart specialization, benefiting from specific financial support for innovation and development (Del Vecchio and Passiante 2017).

At the same time, the European tourism industry is characterized by a high structural fragility in SMEs representing over 95% of all tourism enterprises and facing significant deficits in quality management, in access to information technology, in access to finance, and in integration into networks and clusters (UNWTO 2020a). The current crisis generated by COVID-19 pandemic, while different from the economic crisis of 2008/2009, shares the same swift and devastating impact on the tourism sector. The first months of pandemic have accentuated the fragility of European tourism, and annihilated its capacity to perform to economic growth. The loss of jobs, the increase in the number of bankruptcies, the reduction of the purchasing power of the population, the restrictions on the freedom of movement at international level and within the domestic market, the reduction of capital accumulation and investments all these factors contributed to a general slowdown of tourism.

Despite the tremendous shockwave, tourism managed to keep its attractiveness due to its high resilience capacity, the same capacity displayed following the crisis of 2008/2009. During that crisis, the growth rate of international tourist arrivals in the EU decreased to −3.9% in 2009, but it rose rapidly to 6.6% in 2010, stabilizing for the next period at an average close to 4%. Foreign tourists' expenditures in EU reached 291 billion euros in 2012, exceeding the pre-crisis level (265 billion euros in 2008) and rose to 375 billion euros in 2016, an increase of 41% in only 8 years, against the background of a crisis that led to negative rates of economic growth at EU level both in 2009 and 2012 (−4.4%, respectively −0.5%). Therefore, tourism embodies an element of stability in regional economic dynamics, being often

considered a priority in growth policies and an extremely attractive sector for business. This stability is due to a characteristic which gained popularity during the last decades, namely the concept of resilience.

8.2.2 *Tourism and Resilience: Theoretical Approaches and Empirical Evidence*

Besides the positive effects of tourism on economic growth (Antonakakis et al. 2015; Balaguer and Cantavella-Jorda 2002; Brida et al. 2016; Schubert and Brida 2011), recent studies have suggested that due to its dynamism and strong connections with related economic branches, tourism activities manage to contribute to the increase in resilience capacity of the affected territories, an aspect which incited academics in asserting that tourism destinations should display resilience rather than growth (Cheer et al. 2019).

In regional science, resilience is commonly defined as the capacity of a system (city, region, country) to resist, absorb, and recover from a shock or a disturbance, bouncing back (returning to the pre-shock position) or bouncing forward, by a structural transformation towards a new growth pattern (Béné et al. 2014; Muštra et al. 2017; Reggiani et al. 2002). A similar perspective is supported by Martin and Sunley (2015) who offer a more exhaustive definition: the resilience is "the capacity [. . .] to withstand or recover from [. . .] shock to its developmental growth path, if necessary by undergoing adaptive changes to its economic structures and its social and institutional arrangements, so as to maintain or restore its previous developmental path, or transit to a new sustainable path characterized by a fuller and more productive use of its physical, human and environmental resources" (Martin and Sunley 2015). Therefore, resilience is seen as a process in an evolutionary approach, from resistance and absorption of a shock (*absorptive capacity*) to recovering and transformation (*adaptive capacity*). The reaction of a system is highly dependent on its vulnerabilities, its robustness (which will determine its absorptive capacity), respectively the transformational responses which will dictate the adjustment of the system to the shock while maintaining its main functions ("self-restoring equilibrium dynamics," "path dependency," "adaptation"). At the same time, the system could evolve and develop, based on a learning process, new structures (social or economic) and new functions more capable and more reactive to future shocks, thus enhancing a long-term territorial development potential ("positive adaptability," "prosilience," "evolutionary resilience," "adaptability") (Béné et al. 2014; Boschma 2015; Christopherson et al. 2010; Martin and Sunley 2015; Simmie and Martin 2010). In fact, this could be resumed as the distinction between short-term (absorption shocks) and long-term (adaptation vs. adaptability to shocks) approaches.

From an evolutionary perspective which refers to the capacity of the system to adopt new models of development, the resilience depends essentially on the institutional quality (Ezcurra and Rios 2019), industrial structures and linkages (Boschma

2015), innovation performance (Bristow and Healy 2018), financial arrangements (Belke et al. 2016), labor market structure (Stanickova and Melecký 2018), territorial capital (Fratesi and Perucca 2018), social capital, and local community (Mulligan et al. 2016). All the above-mentioned factors are also susceptible to core-periphery differentiations, which suggests a strong spatial component in resilience capacity, highly relevant for convergence policies undertaken by the EU (Pascariu and Tiganasu 2014).

The first mentions of the resilience concept in relation to tourism activities appeared in the '1990s (O'Hare and Barrett 1994), mostly in relation with environmental and economic shocks, or risk management. More and more studies recognized its importance, especially for policy-makers: "The management of unforeseeable and unpredictable situations is one of the 'strategic issues,' which lies within the responsibility of the top management of a (tourist) destination" (Innerhofer et al. 2018).

The current literature even sees regional resilience as highly connected with the notion of regional sustainability, and therefore, the attention given by scholars to the factors susceptible of positively inducing a resilience capacity is constantly expanding (Cellini and Cuccia 2015; Cheer et al. 2019). The importance of tourism resilience is even more prominent when we consider that people working in the tourism industry are more vulnerable to losing their jobs during shocks than people working in other sectors (Scherzer et al. 2019; Sheppard and Williams 2016). Recent studies found evidence of tourism-induced resilience capacity (Cellini and Cuccia 2015; Innerhofer et al. 2018), this positive impact of tourism upon regional resilience capacity being most likely induced by the high resilience of the tourism industry itself (Cellini and Cuccia 2015). Usually, tourism activities have been identified as very sensitive to the onset of an economic, natural, environmental, social, or military crisis; however, the tourism industry's after-shock recovery rate is higher than the recovery rate of most traditional economic sectors (agriculture, industry, or commerce) (Cellini and Cuccia 2015). Consequently, tourism is usually seen as a fail-safety mechanism for economic growth after a natural or socially induced shock.

The economic crisis from the late 2000s and the current crisis generated by the COVID-19 pandemic have revealed new challenges for tourism destinations such as the adequate management of socioeconomic risks and the reduction of their negative impacts on tourism flows and on regional development. These challenges questioned the role of tourism as driver for regional development and sustainability in destinations. Therefore, the academic discourse has shifted towards the concept of resilient tourism destination. Unfortunately, most of the recent studies on the topic have limited their findings to local levels, without going further to a regional or national analysis.

Thus, some key questions emerge in substantiating recovery policies, especially from the perspective of the challenges for the EU related to structural core-periphery differences, respectively: How resilient is the European tourism when put in a regional framework and how salient are core-periphery differences in terms of shock vulnerability and resilience performance? What are the characteristics of the

regions with high tourism performance? How does tourism contribute to regional resilience and what are the implications for the core-periphery model?

Therefore, considering the connections between tourism industry and the destinations, as well as the drivers acting on tourism sector performance, our study aims to fill some gaps in the understanding of tourism resilience as well as tourism-generated effects on European economies and how tourism can be capitalized in European regional policies in order to stimulate resilience capacity. Consequently, the remaining part of this chapter addresses three complementary objectives to be empirically investigated:

1. O1: assessing and mapping the tourism resilience at regional (NUTS 2) level;
2. O2: testing the correlation between tourism resilience and regional characteristics previously identified in the literature as drivers of resilience;
3. O3: identifying the relation between tourism resilience and regional economic resilience.

For this study we have considered the fact that tourism and regional development are closely interrelated in EU policies, given the importance of tourism for the European economy and its contribution to the achievement of the EU's goals related to economic growth and job creation.

8.3 Methodological Approach

For the present study we took into consideration the EU regions (NUTS 2 statistical level). The data selected for analysis was the most recent available in terms of tourism indicators, economic resilience, innovation, competitiveness, and economic diversification. For tourism-based indicators, our study has selected as main variables tourism arrivals, overnight stays, number of establishments, and number of bed-places, while for describing the economic performance we choose mainly the behavior of EU regions during and after the 2008 economic crisis. Based on the availability of the data, it was decided to apply cross-section analysis and multiple linear regressions to evaluate the level of influence of tourism resilience on regional resilience capacity within the European Union. The sources for the data were represented by official OECD and EUROSTAT databases. It should be noted that the authors considered as number of arrivals in this study the sum of both domestic and international arrivals. This approach was adopted due to its exhaustive characteristics and because it is not dependent on the variations recorded on regional tourism markets.

In terms of shocks, the chapter is addressing the tourism-based responses in regional economies following the financial crisis of 2008–2012. We focused our research on two complementary axes:

1. Assessing the resilience of the tourism sector;
2. Estimating the role of tourism in the overall resilience performance of EU regions.

Main features of tourism and its regional policy implications in the European Union were also addressed. In terms of resilience indicators, we calculated two different indicators of tourism resilience:

1. Speedy tourism resilience (measuring the rapidity of a region in bouncing back to the same achievement levels as before the shock).
2. Sustained tourism resilience (measuring the capacity of a region of sustaining a positive growth for more years in the post-shock period);

The approach allowed the identification of the impact of tourism on regional resilience, but also the resilience of the tourism sector when facing external shocks. Data analysis of a statistical modeling nature was performed using IBM SPSS Statistics 21, while the cartographic part was realized with ESRI ArcMap 10 software.

8.4 The Intricate Manifestation of Tourism Resilience

According to the literature, and sustained by the statistical data, the tourism is impacted differently according to the shock typology (economic, environmental, political, pandemic) and their specific manifestations. In a similar manner, the process of tourism recovery is distinct at regional level, offering a complex picture in which the speed of recovery does not necessarily correlate with its stability over time, while the resilience of the tourism sector impacts distinctively the regional economic resilience.

8.4.1 Tourism Resistance: First Answer to Crisis: The Specific Case of the 2008/2009 Economic Crisis

The resistance designates the first reaction that a system manifests following a shock of any nature. Regarding the economic crisis, the tourism sector was one of the last sectors to feel the effects of global recession, the decline in international arrivals starting only in the second semester of 2008 (Papatheodorou et al. 2010; Smeral 2009), therefore displaying a slightly higher resistance than other sectors—like banking, for example. However, the shockwave expanded throughout 2009 as well, making 2009 the year with the lowest decrease globally in tourism arrivals by that time.

While the economic crisis affected the whole planet, its impact upon tourism arrivals manifested itself differently from region to region. Europe, Americas, and

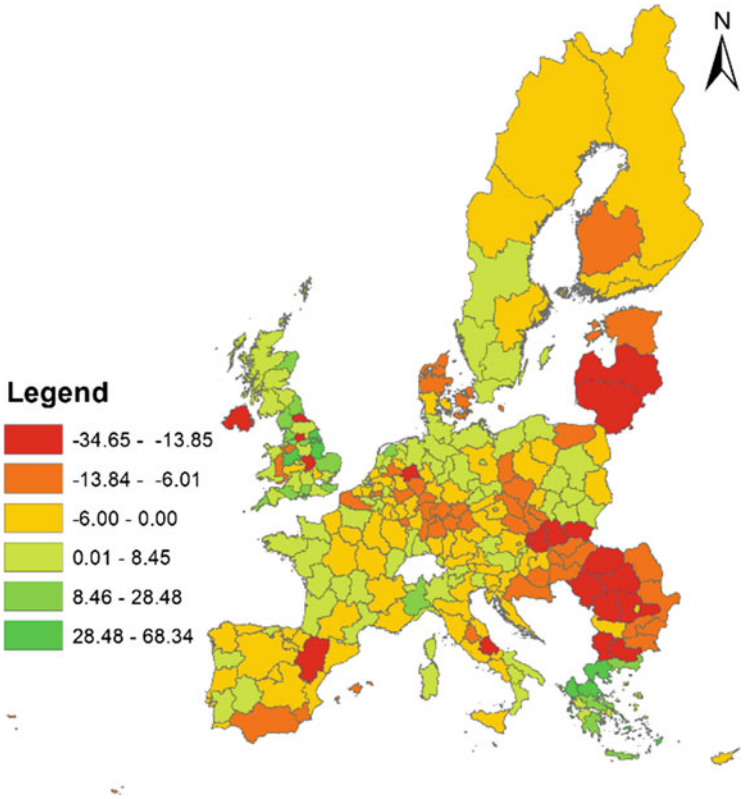

Fig. 8.1 Dynamics of tourist arrivals in 2009 in the European Union (Tourism resistance)

the Middle East were the most affected with −5.7%, −4.8%, respectively −4.9%, translated in a net loss of tens of millions of tourists (UNWTO 2010). Economically, the tourist loss altered considerably the European and American travel markets, which recorded net losses of −7%, respectively −10%. It was found that the instability and the job losses have affected seriously the travel decisions as well; therefore, a snowball effect had manifested throughout the travel sector (Alegre et al. 2013; Papatheodorou and Pappas 2016).

The European tourism sector, which is historically the largest and most mature, has been hit appreciably by the economic crisis. While a general shock wave can be observed throughout the European Union (which concentrates the vast majority of European arrivals) in 2009, the effect is not evenly distributed at a subregional level (Fig. 8.1). Central and Eastern destinations have been affected more severely than Western destinations, for example. Moreover, peripheral regions, especially from the South and the East, were more severely affected than the core regions, a feature which can be explained by the overall low capacity in responding to external shocks. For the Spanish regions, the intensity of the shock may be explained by the high reliance on the UK source market and the temporary drop of UK pound value

(UNWTO 2010). Greece represents a curious exception, however; it should be mentioned that most of Greece's NUTS 2 regions felt the shock wave 1 year later (2010). While the number of international tourists dropped by 6.4 in 2009 (UNWTO 2010), the apparently healthy values of internal arrivals maintained Greece, at least for 2009, in a positive dynamics.

At NUTS 2 level, only 106 regions displayed a medium or strong resistance (>0), a clear indication of the higher vulnerability of tourism towards the economic crisis. The European regions reacted heterogeneously during the first manifestations of the economic crisis, a variability due to socio-economic factors, as well as contrasted territorial capital. While during the last decade several tourist-centered studies tried to provide answers for different resistance values to the economic crisis, like the concept of "crisis-resistant tourist" (Hajibaba et al. 2015), which gained significant popularity and acknowledgment, the importance of the quality of life (Bronner and de Hoog 2014), or gender differences in tourism behavior (Ibanescu et al. 2018), these explanations are not sufficient for understanding the regional behavior and the discrepancies between territorial units.

Possibly the best tourist-centered explanation for regional variations was offered by Eugenio-Martin and Campos-Soria (2014) who mapped the probability of tourism expenditure cutback decision. The distribution of cutback decision, which in their approach depends on households' preferences for tourism under consumption changes and income variations (Eugenio-Martin and Campos-Soria 2014) shows consistent similarities with the map of tourism resistance (Fig. 8.1), with the highest probabilities of cutback decisions in Eastern Europe, especially in Romania, Bulgaria, and Hungary, as well as Southern Italy and Spain. However, additional territorial-based explanations, like the maturity of the tourism sector, the diversity of the tourism network, the existence or absence of immediate strategies, should be taken into consideration as well (Fratesi and Perucca 2018; Romao and Neuts 2017; Romão and Nijkamp 2018). Nonetheless, the resistance is illustrating merely the first answer of tourism industry to the shock; in order to understand the complexity of the relations between the tourism industry and the overall economic impact, as well as the mid-term dynamics, a closer look should be taken at the recovery pattern, namely at the resilience performance displayed by tourism destinations.

8.4.2 Speedy Tourism Resilience: The High Capacity of Tourism to Bounce Back

The indicator of speedy tourism resilience, which can be translated as the speed of recovery of the European regions in managing to reach the pre-shock values of tourism arrivals (the higher the indicator, the quicker the recovery), shows a powerful comeback of tourism arrivals all over EU.

Most of NUTS 2 regions managed to reach the pre-shock level of arrivals within 1–3 years. In fact, 183 regions display a high speed of recovery (within 1–2 years),

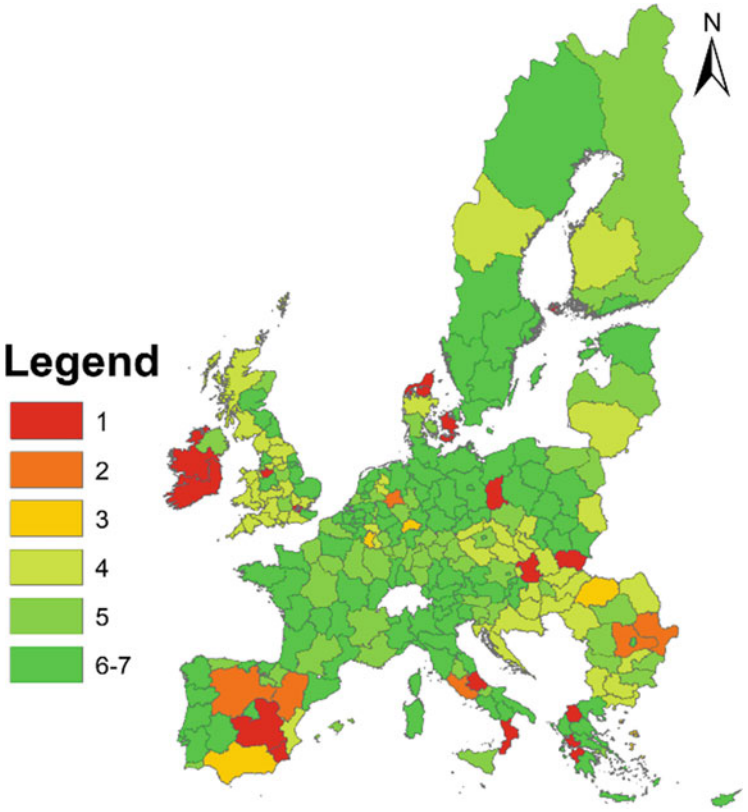

Fig. 8.2 Indicator of speedy tourism resilience (The value of the indicator is inversely proportional to the number of years necessary for the region to reach the pre-shock values in tourist arrivals; 7 = 1 year, 6 = 2 years, 5 = 3 years, 4 = 4 years, 3 = 5 years, 2 = 6 years, 1 = the regions did not reach the pre-shock values during the period of study)

and only 22 regions display a very low speed of recovery (over 6 years) (Fig. 8.2). The results support previous findings which claimed that the tourism sector has an overall quick recovery from the economic crisis (Cellini and Cuccia 2015) and encourage its application as a fail-safety mechanism for economic growth after a natural or socially induced-shock. Two observations should be made regarding the distribution of this indicator: first, while a low speed of recovery seems to appear only sporadically, countries like Romania, Ireland, and Spain display overall lower values and higher number of regions with a low speed of recovery; second, just like in the case of tourism resistance, a clear differentiation between core and peripheral regions can be noted, especially with regard to the national scale. While this indicator emphasizes the rapid recovery of tourism destinations, it does not account for the overall behavior.

8.4.3 Sustained Tourism Resilience

The second indicator of tourism resilience (sustained tourism resilience), which indicates the number of years with positive dynamics during the 6 years of post-shock period (2010–2015), displayed a more nuanced map (Fig. 8.3).

Only 113 regions scored a high value of sustained tourism resilience (5+ years of positive growth in the aftermath of the economic crisis), implying that sustained tourism resilience is harder to achieve than speedy tourism resilience. The significant differences between the two indicators of tourism resilience suggest that the attention of policy-makers should focus on both speedy recovery and sustained resilience in order to properly tackle the crisis manifestations in the tourism sector.

The map of sustained tourism resilience displays a more heterogeneous pattern for the European Union, with a mix of highly and medium resilient regions. Recent

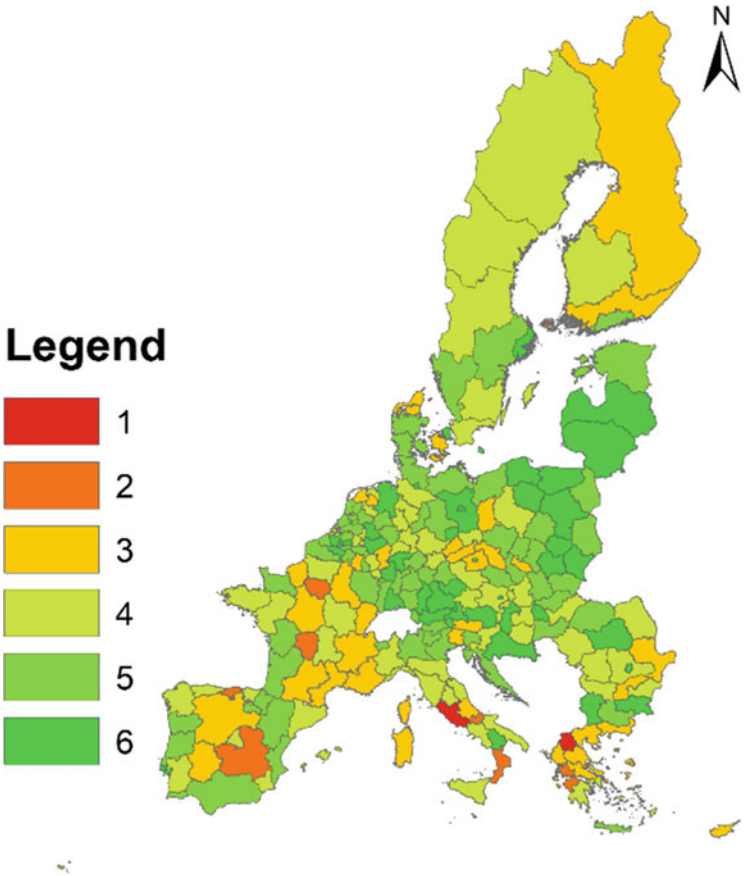

Fig. 8.3 3 Indicator of sustained tourism resilience (2010–2015) (The value of the indicator expresses the number of years recording positive tourism dynamics between 2010 and 2015)

studies looking into the regional behavior of European tourism during the last decades found higher growth rates for less-developed regions, while the most developed regions were more resilient (Romão 2020).

8.4.4 Regional Features and Tourism Resilience

In order to have an in-depth assessment of the relation between tourism and regional resilience, we proceeded to a more complex analysis based on specific tourism indicators (length of stay), regional performance indicators (regional competitiveness, regional innovation, regional diversification), and the time of recovery. The choice of the indicators was motivated by previous studies underlying their role in moderation the relation between tourism activities and economic performance. The regional diversification and the regional competitiveness play an important role in amplifying the tourism multiplier effect (Pascariu and Ibănescu 2018), while the innovation is capable of smoothing the recovery of tourism at regional level (Del Vecchio and Passiante 2017).

The correlation matrix (Table 8.1) confirms the supporting role of tourism in economic resilience and it also indicates a significant relation between the competitiveness of regions and tourism resilience. Economic diversification and innovation seem to increase regional tourism resilience to economic shocks as well, our finding being in line with results published by Luthe et al. (2012) and Romão and Nijkamp (2018).

Furthermore, the correlation matrix delineates two major findings: First, the indicator of sustained tourism resilience seems to be more connected with the diversification, competitiveness, and innovation capacity of a region than the indicator of speedy resilience. Most likely, the indicator of sustained tourism resilience is highly dependent on the above-mentioned regional features, while also managing to contribute to a quicker recovery. This could also suggest that the interrelation between tourism resilience and economic resilience is stronger in regions with higher economic diversity, and consequently, a higher multiplier effect (Pascariu and Ibănescu 2018). Second, the indicator of speedy tourism resilience displays a stronger correlation with the regional innovation, therefore supporting the huge role

Table 8.1 Correlation matrix between resilience indicators and regional features

	B/E	LOS	RCI	HHI	RII	YCR
Indicator of sustained tourism resilience	.005	-.071	.219**	.144*	.195**	-.349**
Indicator of speedy tourism resilience	.089	-.060	.129*	-.106	.330**	-.090

LOS length of stay, *RCI* regional competitiveness index, *RII* regional innovation index, *HHI* Herfindahl-Hirschman index (HHI) = A common measure of market concentration, *YCR* year crisis recovery = number of years for the regions to recover after crisis
**Correlation significant at the 0.01 level (2-tailed)

of innovation in contributing to the tourism restart following a shock (Del Vecchio and Passiante 2017), probably through innovative products, rapid adaptation to the societal needs, and quicker access to innovative instruments. However, while the innovation helps a quicker tourism recovery, the diversification and competitiveness of a region are extremely important for securing a long-term recovery following a shock.

Subsequently, indicators such as the levels of tourism establishments or the length of stay seem to have little impact on tourism resilience, thus supporting the assertion that the regional structure plays a more salient role than the tourism structure in providing tourism resilience. Our preliminary results seem to be supporting the principle of integrating tourism into growth and resilience-oriented policies, especially in relation with strategies of economic diversification, competitiveness and innovation increase.

8.5 Discussions, Conclusions, and Implications for Policies

Our results confirm the existence of a strong connection between tourism and economic development, beyond the classical tourism-led growth hypothesis. While previous studies focused mainly on the relation between tourism and economic growth (Antonakakis et al. 2015; Balaguer and Cantavella-Jorda 2002; Brida et al. 2016; Perles-Ribes et al. 2017), our study introduces and confirms the tourism-led resilience hypothesis. The first analyses of the data back up the assumption that tourism activities have the potential to enhance the resilience capacity at regional level within the European Union. Tourism can be seen as a fail-safety mechanism for economic recovery after a major shock.

What could be the implications for regional policy-makers of a tourism-led resilience strategy and how can tourism activities be used for easing the answer to current or future disruptive shocks? The tourism industry as well as whole regional economic networks are in acute need of knowledge for informed decision-making and for innovative strategies in order to effectively respond to worldwide disruptions. Based on previous shocks which generated major crisis, the tourism sector is expected to recover quicker and at a relatively higher speed than other economic branches. Moreover, certain forms of travel are expected to perform better in the post-shock recovery. Domestic tourism is expected to recover faster than international tourism, while travelling to visit friends and relatives tends to perform better in the recovery period than more specialized forms of tourism, like business travel.

Our study offers three major suggestions for regional policy-makers in order to support the building of recovery strategies. Firstly, sustained resilience represents a far better goal than fast resilience for tourism destinations following a powerful shock. Given the apparent inevitability of future disruptions—either economic or pandemic—, the attention of tourism planning actors and scholars should not be seized by whether the sector will be affected or not, since its immunity is illusory, but rather by how the sector will manage to adapt and recover in a sustainable manner

afterwards, with a particular focus on building resilient industries and destination capabilities. Recent papers looking into the COVID-19 influence on tourism (Hall et al. 2020; Nepal 2020) are addressing the same question regarding the post-pandemic tourism micro-cosmos: how sustainable will the recovery be? Moreover, in a very recent review of research on tourism risk, crisis, and disaster management (Ritchie and Jiang 2019), the authors specifically call for future research on a better understanding of sustainable tourism resilience and the factors that influence it.

Secondly, the study confirms the powerful effect of innovation on tourism resilience. As stated in recent studies looking into the role of innovation and creativity on recovery speed after the economic crisis (Mazilu et al. 2020), policy-makers should focus more on enhancing the innovation score of their territory, as this could prove to be extremely useful for speeding up the process and building a long-lasting recovery.

Thirdly, the diversification of regional economy provides additional solutions following a disruption. Due to the close ties between tourism activities and other economic sectors, this could significantly speed up the recovery wave throughout the economy (Ibanescu et al. 2020). The economic diversification works as a solid engine for the reduction of the core-periphery hiatus. Regional policy makers should develop targeted interventions aimed at enhancing the resilience capacity in peripheral and lagging regions in order to reduce regional disparities and increase tourism competitiveness throughout the European Union.

However, more research on this topic needs to be undertaken before the association between tourism activities and regional resilience capacity is clearly understood. Additional studies should also focus on more internal factors, such as the importance of trust, social capital, internal leadership capacity, and attitudinal commitment.

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