

Sustainable Tourism Development under the lead of the DMO

Timisoara & Fagaras, 25th & 27th May 2010

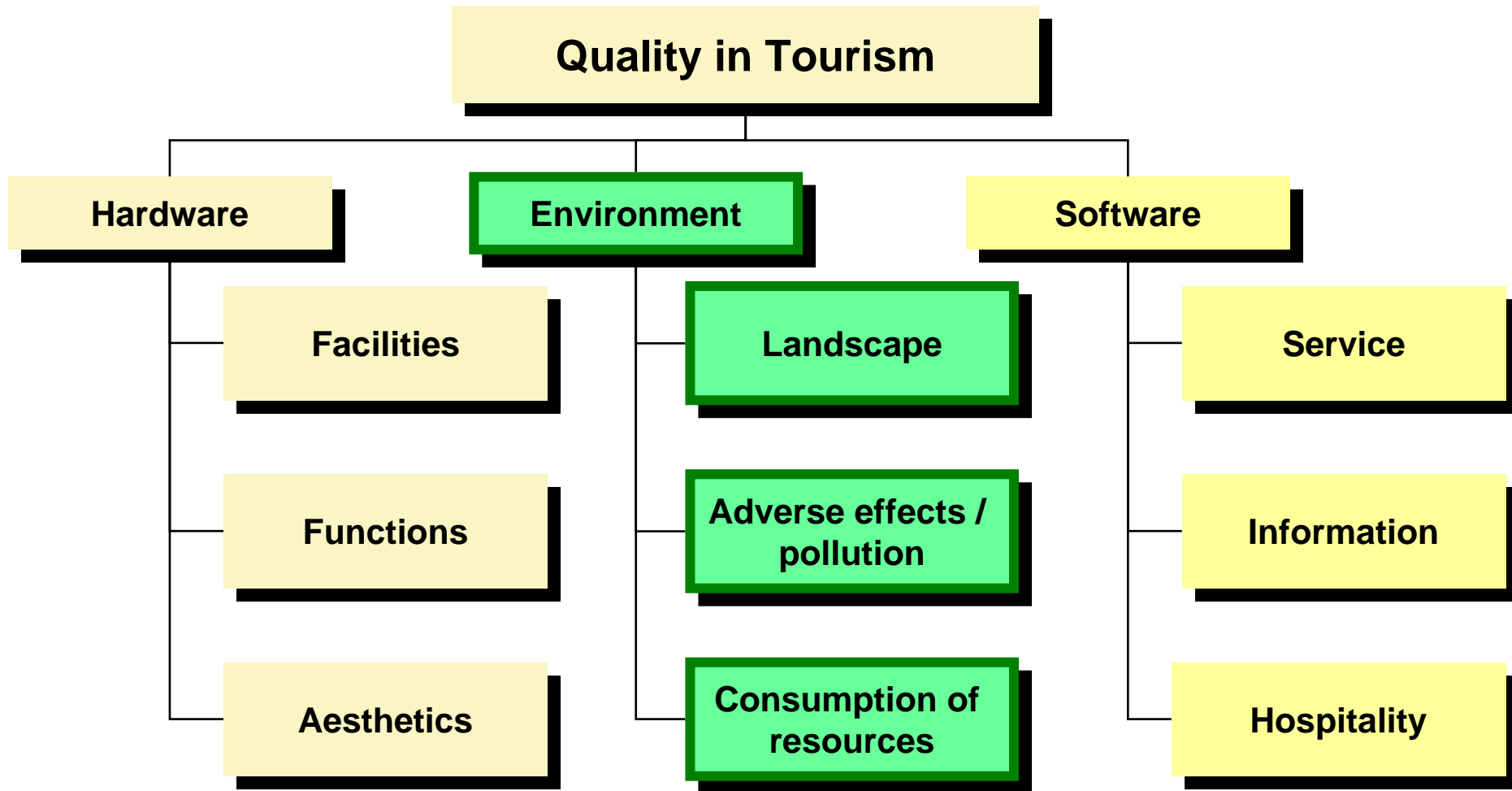
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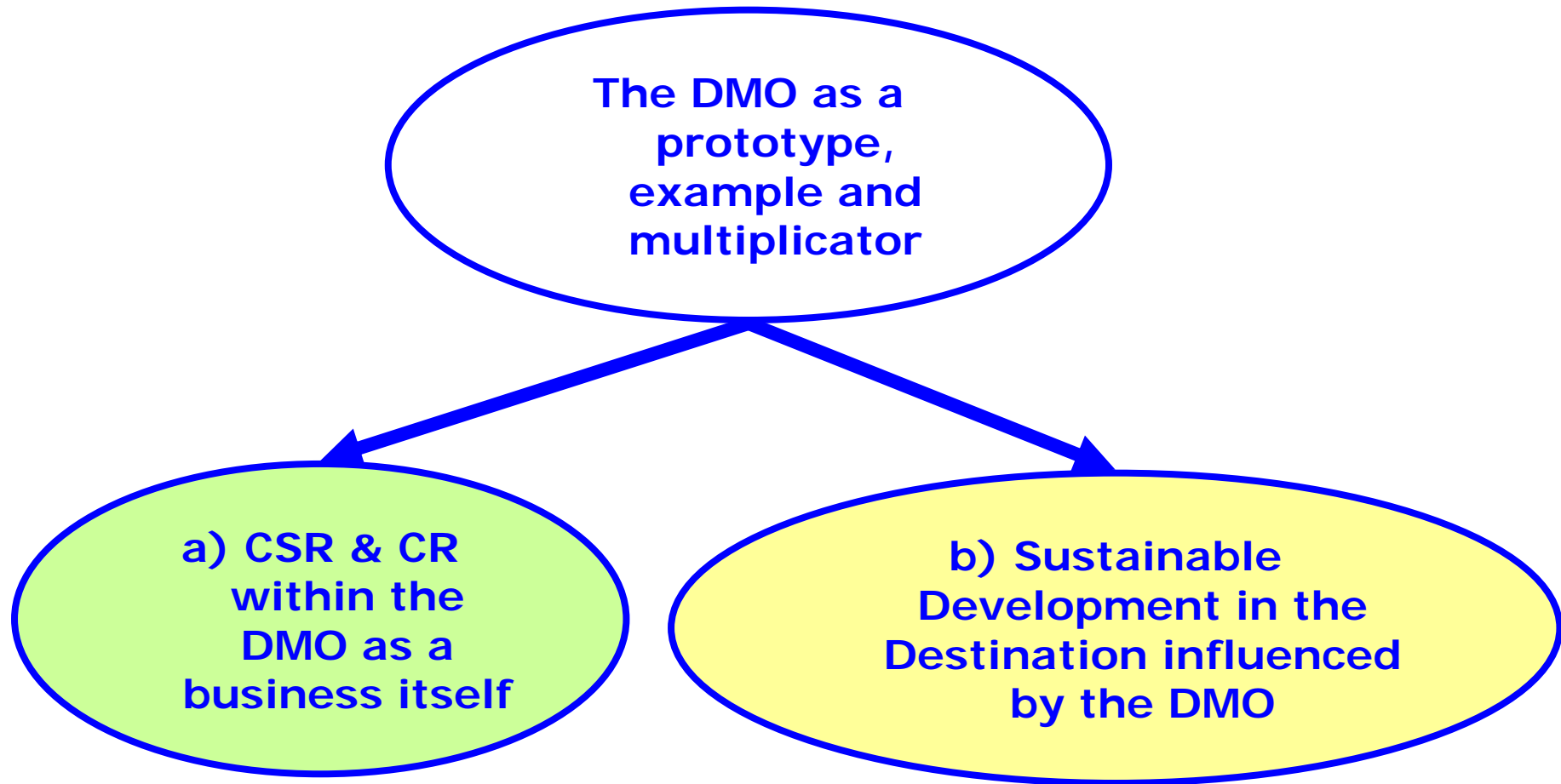
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Components of quality in tourism



Source: F. Romeiss-Stracke: Service-Qualität im Tourismus, München 1995

Sustainability – 2 Dimensions of the DMO



a) CSR within the DMO

1. Corporate Code of Conduct
2. Sustainability within the DMO
3. Responsibility for clients (tourists, local partners)
4. Aspects of the environment
5. Relation to employees
6. Responsibility for the society
7. Responsibility for the service and product chain
8. Controlling and improvement

b) Sustainable Tourism Development with the DMO

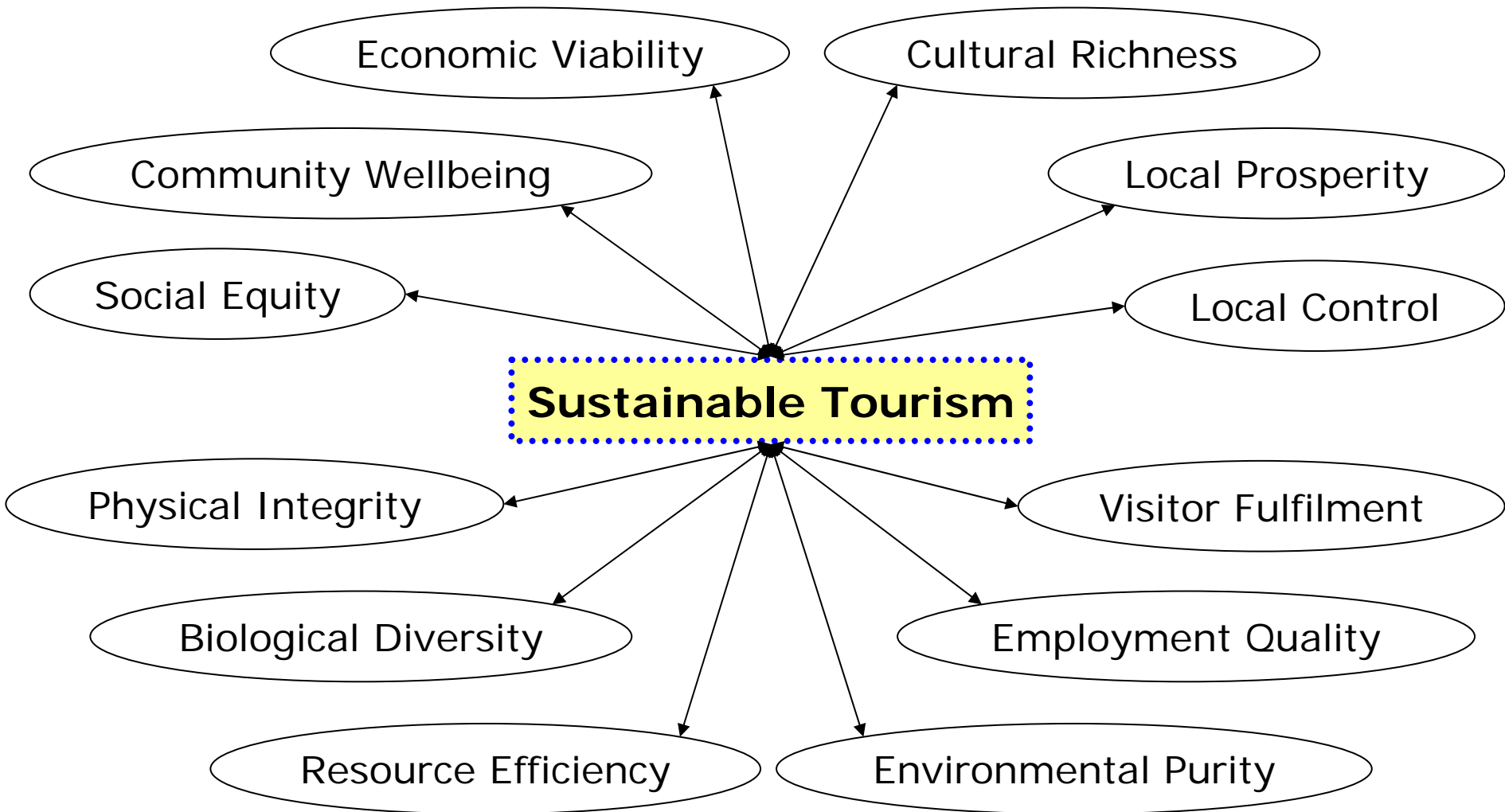
- **A destination focus** is ideal for practical measures to maximise benefits for the residents within a specific area (e.g. coastal zone, district/region, island, city, valley/mountain). Pro-active initiatives can bring government, communities, NGOs and business together to stimulate economic linkages, local participation and partnerships. However, practical action usually needs to be accompanied by a supportive policy framework.

The DMO has the chance to take the lead in these aspects

- **National /local policy-level interventions** may be needed on issues ranging from planning and policy objectives, licensing and registration systems, tenure laws, tourism training, business incentives / regulation and infrastructural development.

The DMO is the central coordination institution where all such needs and inputs can be transferred into a broadly accepted direction

A sustainable Tourism*



Sustainability issue 1 (Sustainable Development):



Tourism and the Environment

- Increasing urbanization means destinations with significant natural features become more popular
- Small islands, coastal areas, wetlands, mountains and deserts are 'fragile ecosystems' which require protection from government and the tourism industry itself
- Mainstream 'ecotourism' can be used by tour operators as a 'greenwash' marketing tool and can do more harm than good

Sustainability issue 2:

Tourism and Economics



- Approx 80% of international mass tourism market is controlled by powerful trans-national corporations. Ability to drive down cost of supplies results in high levels of financial leakages.
- Tourism income can arise from wages, earnings from selling goods and services, dividends and profit from locally owned enterprises and collective income.
- 'Informal' labour market e.g.. locals running food stalls, renting out boats or motorbikes is often more lucrative for locals than paid, permanent employment

Sustainability issue 3:



Tourism and Society / Culture

- Tourism development often stops people having the right of access to land, water and natural resources
- Adverse social impacts include poor working conditions, low wages, child labour and sex tourism
- Involvement of host and local communities (e.g. DMO) in all stages of tourism development, from planning to operations, will alleviate issues of cultural transformation

Sustainability issue 4:

Sustainability - and Tour Operators

- The effective integration of sustainable practice into the tour operator's business involves considering environmental, social and economic aspects throughout the process of developing a holiday package
- Key areas where tour operators can integrate sustainability practices are:
 - Internal management – e.g. human resources, office supplies, production of printed materials
 - Product development and management – by planning tours and selecting holiday package components that minimize environmental, social and economic impacts

Sustainability issue 4:

Sustainability - and Tour Operators

- Ensuring that contracts with suppliers integrate sustainable principles (incorporate them into the selection criteria and service agreements)
- Customer relations – provide health & safety standards, privacy to customers, information on responsible behaviours and sustainability issues at customers' destinations
- Relations with destinations (e.g. with the DMO as the central business partner) – support stakeholders' efforts to address sustainability issues and proactively contribute to conversation and development projects

The Public Sector

Tourism:

- The Tourism industry is a major economic, environmental and social-cultural force.
- Tourism is highly political
- **The type of tourism found in any community is a product of internal (political, social, economic/geographical pressures and external factors - attraction of image/desires)**

What influences it?

- Political environment (type of government)
- Values and ideologies
- Distribution of power
- Institutional framework (structure of government)
- Decision planning processes
- Economic (wealth of country), social (structure), political (stable?), physical environment (big country with fragmented structure)

Conflict of public versus private focus:

- Public Policy should be for the common good and sets out to protect the environment/society for long-term development
- Private sector tends to focus on the short term.

Issues that public policy need to consider:

- Consensus of terms – e.g. tourists – is difficult to define and it needs to be defined before one can make a tourism policy. **In charge: DMO!**
- Lack of data - e.g. visitor patterns or visitors expectations / satisfaction. Market research: **In charge: DMO!**
- Lack of analytical and theoretical frameworks to help policy development (industry is too fragmented): **In charge: DMO!**
- The number of public sector bodies involved due to the diversity of industry (no one dept is responsible for all of tourism sector); **In charge: DMO!**
- Conflict of interests and representations from industry. **In charge: DMO**

Tourism Planning 1

Government and DMO: Who does what – depends on a whole range of factors:

- Importance of tourism to the economy – (Balance of payments).
- Political Tradition – i.e. Centralisation/per cent of power delegates to local authority i.e. T/P is not so important asset of economy in the USA.
- Perceptions of status of tourism – varies between countries i.e. developing countries are (should be) more involved in Tourism planning.
- Administrative traditions – representative of industry on government.
- Inter-departmental deals – which dept is responsible for what
- Role of International Bodies and their impact upon national admin Structure

-> If there is a professional DMO they can take the lead for the industry; otherwise it's very often just „let's wait what the local authorities will do“

Tourism Planning 2

- Balancing short-term economic gains from tourism against the possible long-term costs
- Extending the lifecycle
- Managing resources, both natural and manmade – best use made of scarce resources
- Role to safeguard the tourism industry and environment it directly and indirectly affects
- Coordinates the resources & means

Private sector offers finance and expertise to manage tourism – motives are mainly financial gain and market share

Public sector – intervene to act as regulators for planning and management

Planning Paradox

- Natural v Man-made

Host communities may use their natural assets as resources but because hotels and roads will alter the landscape and ecosystem eventually they will become dependent on man made resources.

- Small Scale v Investment

Small scale development may be seen as a solution but it may not attract investment as rates of return are not high enough.

- No Development v Conservation

No development means no investment and no money for conservation.

- Urban v Rural Development

Urban tourism expenditure results in less tourism expenditure in rural areas



Approaches to Tourism Planning

1. Continuous incremental and flexible planning: this approach to accommodate possible change of direction but can be misread as lack of direction.
2. Systems approach – (old fashioned) highly structured and dominated by theory.
3. Comprehensive approach (holistic) **understands all circumstances likely to influence it.**
4. Integrated: tourism totality of planning –because tourism has impacts and costs its learning to fit in more.
5. Environmental and sustainable approach – **financial considerations / commercial**
6. Community – **start with the locals needs then move upward (workable on local level only)**
7. Implementable planning – **doing what is possible not considering what isn't.**

Planning Problems

- Problem of planning due to complexity of issues and pressures faced with both external and internal – need to agree a workable balance.
- Tourism Policy is a slow process of decision making with the risk that policies are capable of changing as governments change power



Planning (Market) Failures

- **Lack of local involvement** / social impact awareness
- **Market failure**: failing to protect adequately the environment on which tourism industry needs, numbers of businesses, inability of the public sectors & private sector to coordinate a strategy to protect/enhance resources their own activities alone do not damage.
- **Market imperfection**: the tourism market doesn't cater for the individual – social welfare, inequality and discrimination, safety practices, disabled.
- **Business is rarely interested in long-term social and environmental need** as opposed to short-term revenue and profits
- 'The existence of tourist infrastructure and 'ready-made' attractions alone are not sufficient by themselves to ensure the long-term future of a tourist destination. Furthermore, an **imbalance between the supply and demand components of tourism**, together with inadequate attention to factors determining economic, social, and environmental sustainability, have the potential to lead to undesirable and unforeseen consequences' Butler (1990):

Approaches & tools that Government and DMO's can use I *

TOOL 1: Boosting local inputs into the hotel supply chain

- Do not ignore supply chains
- Help to link the buyers and suppliers
- Help SMEs become reliable suppliers
- Develop the supply chain as bed capacity expands
- Help ensure economies of scale
- Give businesses every reason and tool to revise their procurement

TOOL 2: Boosting local craft and tourist shopping

- Upgrade product quality, supply and fit with tourist tastes
- Develop locally distinctive products
- Create sales venues
- Ensure tourists have information, incentives and capacity to spend more locally

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Approaches & tools that Government and DMO's can use II

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TOOL 3: Stimulating micro and small tourism enterprises

- Business support: training, credit and business development services
- Ensure licensing and regulations do not exclude small entrepreneurs
- Establish and monitor a scheme for 'local guides'
- Provide simple infrastructure to catalyse SMMEs
- Facilitate access to private sector linkages and mentoring
- Stimulate market demand
- Create events to bring tourists and service providers together
- Community based tourism vs. micro entrepreneurs: clarity not confusion

TOOL 4: Boosting employment opportunities of the poor

- Expand the tourism sector and expanding employment
- Invest in hospitality skills of unskilled & semi-skilled people
- More and better jobs for local people

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Approaches & tools that Government and DMO's can use III *

TOOL 5: Facilitating destination-level partnerships

- Governments should use their unique convening power
- Gather views, get communication going
- Take positive concrete steps

TOOL 6: Diversifying the destination, incl. more products of the poor

- Assess options for product diversification
- Create opportunities through rural cultural tourism
- Urban tourism, township tours and more
- Focus on how the poor can benefit. Don't just assume

TOOL 7: Use government roles to influence private sector behaviour

- Use concession processes/investment deals to motivate pro poor actions
- Other levers: awards, codes, certification, communication and local initiatives

Approaches & tools that Government and DMO's can use IV*

TOOL 8: Facilitate joint venture partnerships, private sector and community

TOOL 9: Other ways to channel financial flows to communities

- Revenue sharing with communities from protected areas
- Facilitate philanthropic flows

TOOL 10: Addressing cultural, social and physical impacts

- Maximise local benefit from tourism infrastructure development
- Manage trade-offs over local resources
- Minimise disruption, environmental damage and cultural infringements
- Set up systems to prevent sex tourism and particularly child prostitution

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Approaches & tools that Government and DMO's can use V*

TOOL 11: Pro-Poor policy making

- Participation by the poor in policy
- Strategic evidence-based decision-making

TOOL 12: Strategic choices: Which segments, markets, investors?

- Targeting specific markets and segments
- Investors: foreign and domestic, large and small

TOOL 13: Being effective: Ensuring implementation

- Build commitment and support

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