Spatial Development from The Tourism Perspective

Space, Economy and Tourism: from theory to advices!

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Motivations/Objectives

- Space and Geography in Economy: a strange history!?! 
  - Why does it seem interesting to take space into account in economy (and therefore in tourism industry)?
- How can we include geography and space in economy?
- Space, Geography and Tourism: the matching process
- Space, Geography and the Policies Advices
Earth at night
Map 1 : Urban Sprawl in USA !
Map 2: Relative Population Density

County population density relative to U.S. population density in 2000, 3069 counties

From 1990 to 2000, urban sprawl have been extended by 800 000 ha!
Space and Geography in Economy: a long but not simple history
Space and Geography in Economy: A Strange History

- If it seems an evidence to take space into account, but it has not always been the case...
- At the beginning of history, Space, is the first and unique factor
- Then, Space and Lands: the ignored factors!
- But, If History Matters, Space too!...and in the late of XXth century Geography was back
- Proof: Some stylized facts of spatial economic and development
Space and Geography: key factors of development process

1. Geography can imply growth and inequalities
   - Physical geography plays an important part
   - Role of natural endowment?
     - Yes, in agricultural societies
     - Yes, for primary industries and if transport costs are high

2. Geography can imply persistence of dynamic process and/or poverty traps
   - Physical geography plays a role in initial concentration of economic activity
   - Lock-in effects work long after the initial factors become unimportant (agglomeration externalities)
Finally, why does it seem interesting to take space into account in economy and development: a « multidimensional » process for Tourism?

- Space, Geography and Cultural dimension
- Space and Conflicts and Riots
- Space, Geography and Innovations (Clusters): where does the experience take place?
- Space, Geography and amenities (for customers and industries looking for services)
- Space Geography and Urban Planning Strategy
- Space Geography and Infrastructures endowments and investment strategy
- Space, Geography and localisation (domestic and international position)
- Space and Markets
- Space and Externalities
- Space and Location of Economic Activities
- Space and Marketing of Territory
How can we include space in economy and therefore in Tourism? A Theoretical Overview
How can we include space and geography in economy? A Theoretical Overview

- Three major approaches linking geography, economic integration to change in the geographic location of economic activity.

- International Trade Theories: Theories of comparative advantage (suggest nations specialise in sectors in which they have a relative (= comparative) advantage) and New Trade Theory based on Imperfect Competition (Economies of Scale, Size,..)

- The ‘New Economic Geography’ (NEG) suggests that integration tends to concentrate economic activity spatially.
  - And so,
    - If, Comparative advantage will help to explain different cross-nation facts or Inter industry exchanges
    - If, New Theory of Trade will help to explain similar cross-nation facts or Intra industry exchange
    - NEG will help to explain within nation facts
The NEG, a useful tool for tourism industry

- When productive factors can cross borders (international or inter-regional) integration may have very different effects.
- Scale economies and trade costs generate forces that encourage geographic clustering of economic activity:
  - "Overall clustering" = some areas with lots of economic activity, others empty ➔ "core-periphery"
  - "Sectoral clustering" = each sector clusters in one region, but most regions get a cluster.
- Basic idea is that lowering trade costs or transaction costs affects both …
  - ‘Agglomeration forces’: lead industry to cluster geographically
  - ‘Dispersion forces’: encourage industry to disperse geographically.
Space and the NEG: Agglomeration Forces

- Many agglomeration forces
  - Increasing returns
  - Technological spillovers (e.g. Silicon Valley)
  - Labour market pooling (e.g. City of London)
  - Demand linkages (i.e. backward linkages) or pecuniary externalities
    - More firms means more local demand (from firms and workers)
    - Agglomeration increases consumer choice
  - The diminishing of Transport or Transaction costs
  - Supply or cost linkages (i.e. forward linkages)
    - Larger choice of intermediates
    - More competition among suppliers

New Economic Geography focuses on demand & supply links since they are clearly affected by economic integration (lower trade costs)
Space and the NEG: Dispersion Forces

- Many forces lead to a tendency of firms to avoid agglomerations of economic activity
  - Rents and land prices (City of London vs. Docklands)
  - High cost of other non-traded services
  - Competition with other firms
- The NEG focuses on the last one, “local competition”
  - Clearly related to trade, transport and transaction costs
How can we include space in economy? A Theoretical Overview

- Competitive Advantage of Nations (M. Porter)
  - A nation’s competitiveness depends on the capacity of its industry to innovate and upgrade. Companies gain competitive advantage because of pressure and challenge (Ability to innovate, upgrade, and deploy their factors). They benefit from having strong domestic rivals, aggressive, home-based suppliers and demanding local customers (highly competitive and demanding local markets).
  - Differences in national values, culture, economic structures, institutions, and histories all contribute to competitive success.
Space, Geography and Tourism: the matching process
Space, Geography and Tourism

- **What Spatial Scale?**
  - the human activities, focusing on both tourist-generating and tourist-receiving areas as well as the links between them.
  
  - The spatial study can be undertaken at a variety of scales;
    - world distribution of climatic zones
    - regional assessment of tourist resources
    - the local landscapes of resorts
What are the geographical components of the tourism system

- The places of origin of tourists – the tourist-generating areas.
  - Represent the homes of tourists, where journey begin and end.
  - Examine the features that stimulate demand for tourism, include the geographical location of an area; its socioeconomic and demographic characteristic.
  - These areas represent the main tourist markets in the world.
  - Major marketing functions of tourist industry are found here, such as tour operation, and travel retailing.
The tourist destinations – the receiving areas.

- Places that attract tourist to stay temporarily and will have features and attractions that may **not be found** in the generating areas.
- Comprise of the accommodation, retailing, and service functions, entertainment, and recreation.
- Most important part of the tourism system, which attract the tourists and energizing the system.
- Recognized as the impacts recipient of the tourism industry, and therefore where the planning and management of tourism is so important.
The routes travelled between tourist-generating areas and the receiving areas.

- Link the tourist-generating area and the tourist destination area.
- As the key element in the system as their effectiveness and characteristics shape the size and direction of tourist flows.
- It represents the location of the main transportation component of the tourist industry.
What are the spatial interaction between the components of the tourism system

- Tourist flows
  - tourist flows between regions is the fundamental to the geography of tourism
  - between two areas with the destination area containing a surplus of a commodity (ex. tourist attraction) and the generating area having a deficit, or demand for that commodity.
  - The regular patterns of tourist flows, which do not occur randomly but follow certain rules and are influenced by a variety of push and pull factors.
- **Push factors**
  - Mainly concerned with the stage of economic development in the generating area, including the factors as levels of affluence, mobility and holiday entitlement.
  
  - Economic development may cause the pressure of life will provide the “push” to engage in tourism.
  
  - An unfavourable climate will also provide a strong impetus to travel.

- **Pull factors**
  - Include accessibility, and the attractions and amenities of the destination area.
  
  - The relative cost of the visit is important, as is the marketing and promotion of the receiving area.
How can we measure the tourists flows?

- The measurement of both international and domestic flows has been introduced by the national governments and international organizations.

- Reasons why this statistical of flows is important:
  - To evaluate the magnitude of tourist flows and to monitor any change. This allows projection of future flows and the identification of market trends to be made.
  - Act as a base of hard facts to allow tourism planners and developers to operate effectively and plan for the future of tourism.
  - Both public and private sectors use it as a basis for their marketing strategy.
Measurement of tourist flows can be divided into three main types:

- **Statistics of volume**
  - Give the number of tourists leaving an area or visiting a destination in a given period of time.
  - Provide basic count of the volume of tourist traffic.
  - It also includes the length of stay of the visitors at their destinations.

- **Tourist characteristics.**
  - Measure the quality of tourist flows.
  - Include information on types of tourist (sex, age, socioeconomic group) and their behaviour (structure of the trip, attitudes to the destination)

- **Expenditure statistics.**
  - Tourist flows have important economic significance for the destination, the generating region, and the transport carriers.
  - Tourism represents a flow of money that is earned in one place and spends in another.
For example, two methodologies among others:

**Williams and Zelinsky (1970)**

- Selected 14 countries that had relatively stable tourist flows over a few years, which accounted for the bulk of the world’s tourist traffic.
- A number of factors that helped to explain these flows:
  - Distances between countries (the greater the distance, the smaller the volume of flow).
  - International connectivity (shared business or cultural ties between countries).
  - The general attractiveness of one country for another.
The gravity model

- It based on two main factors that influence flows:
  - a) The push and pull factors which generate flows, and the model states that the larger the “mass” of the pushing or pulling regions, the greater the flow between them.
  - b) The restraining factor, which based on the distance between the origin and the destination of the flow.

- The time and cost involved in travel act to reduce the flows with distance.

- Known as the friction of distance.
If Space and Geography matter: What are the consequences and policy advices for Tourism Industry?
The tourism product determine the nature of the tourism system and the market
- Rural tourism
- Urban tourism
- Heritage tourism
- Cultural tourism
- Eco-tourism
- ...

For tourism to succeed it must be sustainable...to be sustainable, it must be carefully planned and managed...like it is in industry
Tourism planning is about promoting orderly development of the industry

Tourism planning generally takes place at three different levels: nationally, locally and of the individual attraction.

At the national level, it involves the co-ordination and management of large tourist regions or the country as a whole, usually through the development of policy, national standards and institutions.

As the facility or site level, it involves the planning, design and development of individual tourist attractions, services and facilities to serve tourist needs. Less common though equally important is the planning and management of tourist destination areas: the organization and development of visitor attractions and services in and around destination communities. This is known as the community or destination level of tourism planning.

(K. Godfrey, J. Clarke, 2002)
Geography and Innovations: a powerful means of differentiation for Tourism

- Innovations are “new forms of social and economic action derived from the invention of a physical product or process, or from the redefinitions of interrelationships between actors” and they induce extra transformations through “further developments of inventions, or just .... general ideas for making them into useful products” (Hjalager, 1996, 2002, p. 465)

- Four forms of tourism innovations are identified: regular, niche, revolutionary, and architectural innovations.

- As Rodríguez-Pose and Crescenzi (2008, p. 54) conclude, “it has now become widely accepted that innovation is a territorially embedded process and cannot be fully understood independently of the social and institutional conditions of every space.”

- Iammarino and McCann (2006) even point out the distinctive geographies associated with the characteristics of different types of industrial clusters that drive innovation.
- Geography and Infrastructures: what would be a destination without…?
  - Access (road, air, sea)
  - Airports and ports
  - Road networks
  - Water supply
  - Electric power
  - Telecommunications
  - Waste management
  - Public health
  - Infrastructures for innovations
  - Hospitals and Medical and System
- **Geography and Tourism: Policies from the territory point of view**

  - Tourism is no economic panacea, and is best suited as a supplement to a local economy.
  - However, **community tourism** is not a simple product or single business, but has many aspects including transport, accommodation, catering, attractions, information, and hospitality. To be successful, destination communities need to establish leadership and co-ordination of all those active and interested in tourism. Tourism development is no the prerogative of private sector.
  - *No two communities are exactly the same…nor should they wish to be*
  - **Tourism resource audits** are the baseline of future development activity.
  - This includes the analysis of what tourists come to see and do (attractions and activities), how they are served (hospitality and service), how they travel and get about (access and infrastructure) and how they are informed (information and interpretation). They are designed to help destination communities identify what is special about them, but they also seek to determine what, if anything may be missing from the local product, and what needs improvement.
Geography and Tourism: Policies from the territory point of view

- Tourism planning is all about creating that place; building on the unique geography, history and cultural traditions that are evident in most communities. Understanding the extent and quality of these (and other) local resources represents the foundation of the destination area development plan.
Muito Obrigado !

Thank You !