The Transition to a More Sustainable Business Model in Tourism. Sustainable Coastal Destinations Best Practices

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Abstract

The article aims to bring a fresh perspective on current trends of global tourism by providing examples of best practice of coastal tourism as key driver of sustainable regional development. Following the example of Balearic Region of Spain, the article is designed to contribute to a more sustainable approach to destination management.

Tourism is one of the world's fastest growing industries and an important source of foreign exchange and employment, while being closely linked to the social, economic, and environmental well-being of many countries, beginning with small countries and ending with large geo-economic regions.

Over the last years, sustainability became a top priority for many industries, including global travel and tourism, which accounts for between 8 and 11 percent of the world’s emissions. Given its importance, tourism has the opportunity and responsibility to address many of the challenges faced by our societies while transforming itself to address its socio-economic impacts.

Key words: Inclusive and equitable development, green tourism, coastal tourism destinations, best practices, sustainable development goals

J.E.L. classification: A11, F64, O19, Q24, Q25, Q53, Q54, Q56, Z32

1. Introduction

The purpose of the article is to analyze current sustainability trends and global efforts to transform tourism by adopting a more sustainable approach to travel. Considering the environmental and social sensitivities of coastal tourism, the article provides examples of good practice where coordinated actions and cooperation between all actors for the long-term recovery and sustainability of tourism will unlock its immense potential to deliver a safer, healthier, more sustainable and more equitable future.

The recommendations of World Travel Organization – UNWTO and World Travel & Tourism Council – WTTC, together with the example of Balearic Region of Spain should provide a good model in adopting a sustainable long-term strategy for tourism development on the Black Sea coast.

Accounting for over 10% of global GDP and supporting more than one in ten jobs worldwide in 2019, the Travel & Tourism sector has been a key global driver of economic prosperity and employment opportunities for decades. In many countries around the world, tourism presents one of the most important sources of economic income. What’s more, given the extent and complexity of the Travel & Tourism value chain and its strong interlinkages with other industries, the sector has both a responsibility and significant potential to be a catalyst for profound system change. (WTTC Economic Impact Research 2023)
Tourism has a particularly important impact on the economy, both on the natural and built environment, on local populations within destinations, but also on visitors. The impacts of tourism are both positive and negative, and the stakeholders involved in tourism activities are diverse and numerous.

In tourism circles, sustainable tourism has been an important topic of discussion for several decades, particularly after the 1987 Brundtland Commission Report entitled 'Our Common Future' and particularly after the Rio Summit on Sustainable Development in 1992.

The conventional (classic) tourism makes the object of much criticism. For instance, most of developing countries cannot “master” tourism flows. (Juganaru et al, 2008, p.802) At the same time, sustainable tourism refers to those tourism activities that respect the environment, conserve natural and cultural resources, and are socially and economically sustainable and equitable. It is that tourism that considers the basic principles of sustainable development, showing respect for the environment, local communities, but also for the local economy and culture in tourist destinations. From an ecological perspective, sustainable tourism refers to the multiplication of responsible initiatives and permanent care for the conservation of natural resources, but also to the dissemination of examples of good practices in this field. (Jugănaru, 2007, pp. 275-276)

2. Literature review

Among the current global trends, it is important to remember that climate change is a set of global threats. The World Economic Forum top risks have shifted to the now dominance of environmental risks since 2017. In most recent Global Risk Report, climate change continues to be perceived as the gravest threat to humanity. Global Risks Perception Survey’s respondents rate “climate action failure” as the risk with potential to inflict the most damage at a global scale over the next decade. (WEF Global Risk Report 2023, p. 29)

Climate change affects the global economy and day to day life, having a profound impact on all economic sectors and local communities at an alarming pace. The pandemic accelerated the process and made clear the dependencies between nature, the health of the people and the future of our planet. We became more conscious that during such tragic events we are vulnerable and we put at risk the future of humanity. COVID-19 provided us an opportunity to rethink the way we do business and our ways of life. The pandemic helped to raise awareness of the urgency for action on climate change, social inequality and sustainable development.

Intergovernmental Panel on Climate Change (IPCC) stated in 2021 Report that climate change must become the urgency of our live. Travel & Tourism is strongly affected by effects of climate change, but as many other sectors, is also an important emitter of greenhouse gas (GHG) emissions contributing to negative consequence of climate. “It is therefore of utmost importance to decarbonize the sector as quickly as possible and reach net zero by 2050” (WTTC A Net Zero Roadmap for Travel and Tourism, p. 5)

Tourism depends on economic, environmental and social conditions, and businesses dependent on tourism rely on local communities, natural health and biodiversity that have suffered from the dramatic effects of climate change. Considering all these dependencies, there are concerns about the negative impacts the sector can have on both local communities and the planet and its ability to help preserving biodiversity and environment, contributing to a more sustainable development.

Studying the impact of human activity on the health of our planet, Stockholm Resilience Centre has identified nine ‘planetary boundaries’ within which humanity can continue to develop and thrive for generations to come. Unfortunately, in 2015 found that four – climate change, loss of biosphere integrity, land-system change and altered biogeochemical cycles (phosphorus and nitrogen) – have been crossed. Two of these – climate change and biosphere integrity – are considered ‘core boundaries’, for which significant alteration would ‘drive the Earth System into a new state’. (Raworth, 2017, p.1)

A popular framework that builds on that of ‘planetary boundaries’ is the doughnut economics. The Figure 1 shows this visual framework. It is a diagram developed by economist Kate Raworth that combines planetary boundaries with the complementary concept of social boundaries. The name comes from the shape of the diagram, a disc with a hole.
According to UNEP and UNWTO, sustainable tourism can be defined, as tourism that takes full account of its current and future social and environmental impacts, addressing the needs of visitors, the tourism industry, the environment, and host communities in destinations alike. (UNEP and UNWTO, 2004, p.12)

Contrary to widespread misconceptions among many tourists, tourism service providers and stakeholders, sustainable tourism is not a distinct form of tourism, a niche market, for tourists more sensitive to the environmental and social impacts of tourism. On the contrary, the “term sustainable tourism”, applied to tourism based on the principles of sustainable development, refers to a fundamental objective, that of making all forms of tourism sustainable. Therefore, the term “sustainable tourism” should be used to refer to a condition of tourism and not to a particular type of tourism.

In order to transform the sector and have a more sustainable tourism, a number of actions should be undertaken, mainly:

- Making best use of environmental resources, maintaining essential ecological processes and supporting efforts to conserve natural resources and biodiversity.
- Respecting the socio-cultural authenticity of host communities, preserving their built heritage and life, their traditional values, and contributing to efforts of good understanding and cross-cultural tolerance.
- Ensure viable and long-term economic activities that ensure equitable socio-economic benefits for all stakeholders, including the creation and stability of jobs and income opportunities for communities in tourist destinations, thus contributing to poverty reduction. (UNEP and UNWTO, 2004, p.11)

The Sustainable Development Goals (SDGs), agreed by all UN members in 2015 in replacement of the UN Millennial Goals, are the UN’s blueprint to address the key global challenges. The 17 goals are all interconnected and particularly aimed at governments, with Paris Agreement being one of its goals. The SDGs have become a powerful framework to these two actors, with some investors already reporting against their impact on the SDGs and driving capital to contribute to their achievements.

Recently, United Nations General Assembly by Resolution 77/178 of 14 December 2022 on the “Promotion of sustainable and resilient tourism, including ecotourism, for poverty eradication and environment protection” has recognise the role of the Travel & Tourism sector in addressing Sustainable Development Goals and contributing to 2030 Agenda for Sustainable Development.
The UN resolution has also placed the sector at the forefront of the global sustainability processes. „It also calls for the support from all relevant stakeholders to promote approaches that reduce greenhouse gas emissions, and ensure sustainable consumption and production patterns to transform the tourism sector.” (UNWTO - Goa Roadmap for Tourism as a Vehicle for Achieving the Sustainable Development Goals, p 13)

In order to highlight the complex relationship between tourism and the SDG’s, in June 2023 a survey has been conducted among the G20 members to identify the most critical aspects to be considered and how tourism can contribute to the SDG’s. (UNWTO 2023, p 14). Figure no. 2 represents the link between tourism and five relevant SDG’s.

![Figure no. 2. G20 Tourism Working Group survey results on the top Sustainable Development Goals that tourism contributes to, 2023 (%)](image)

Source: (UNWTO, 2023)

3. Research methodology

Our work is a desk research, based on secondary information, extracted from reports, studies, analyses, statistics of specialized international bodies and organizations, regarding the current approach to the problem of sustainable development of tourism. We also tried to identify examples of best practices in coastal tourist destinations, which can be multiplied in coastal tourism in Romania, in terms of achieving the objectives of sustainable tourism development.

The main objective is to identify the key factors and aspects that should be taken into account in planning and implementing a more sustainable business model in tourism. Issues such as how to better measure sustainability in tourism remain under discussion, without any particularly clear conclusions being reached.

4. Findings

We need to understand the most relevant aspects to be addressed in achieving a more sustainable business model. According to the latest survey conducted by G20 Tourism Working Group in June 2023 there are five priority areas to be considered by tourism sector to transform the business model into a more sustainable one. As a result of a sectorial analysis including best practice recommendations, reports and case studies, a set of critical factors have been identified as “cross-cutting key enablers”. (UNWTO, 2023, p 26)

Each key aspect identified by the report is an entry point in understanding how to leverage tourism to further SDGs progress and address G20 priority areas and is reflected in the objectives set in the roadmap.

Cooperation between central and local governments, private organisations, tourism associations and charities, addressing in a coordinated way the climate action and environmental protection at international level will enable a more equitable business model in tourism. By encouraging the sector to rethink and redefine the relationship with nature, understanding the impact of its policies and operations, tourism can contribute to the nature regeneration, human health, a more sustainable social
and economic environment and Paris Agreement goals.

Over the last few years, the concerns and efforts in addressing climate change impact in the tourism sector reached a turning point, with more and more public and private organisations and destinations determined to achieve ambitious targets to accelerate the shift towards a net zero future for the sector.

Considering the importance of tourism in the global economy with a contribution of more than 10% of global GDP, the sector represents one of the most important sources of national and local income being a key global driver of economic and social development. In this context, the tourism sector has the opportunity “to intensify its efforts to fight climate change by all available pathways towards net zero with strong, tangible commitments and actions that accelerate change within and beyond the sector’s boundaries”. Current joint efforts in Travel & Tourism include Tourism Declares a Climate Emergency and the Glasgow Declaration on Climate Action for Tourism, while at an individual business level, as of October 2021, a total of 34 Travel & Tourism businesses joined the SBTi (of which 38% are WTTC members) and 39 businesses are officially in the Race to Zero (of which 18% are WTTC members) (WTTC, 2021, p 8)

WTTC issued “The Net Zero Roadmap” (Figure no. 3) in 2021 to support tourism industry on its journey towards net zero emissions. The report targets each specific industry of the tourism sector, as accommodation, tour operators, aviation, cruise, and OTAs and travel agencies, and provides a decarbonization framework with a pragmatic action plan to support companies in their efforts to achieve a net zero business model.

The potential of tourism to contribute to the achievement of the SDGs has been highlighted in numerous studies and initiatives, such as the UNWTO's Tourism for SDGs platform. Osorio et al measured the carbon footprint of tourism in Spain. Thus, according to these calculations, for example, Spanish tourism generated a total carbon footprint of 47,825 ktCO2e in 2019, both in direct and indirect production, to cover all tourism consumption in Spain (14.2% of the total Spanish carbon footprint) (Osorio et al, 2023, p. 308, 314)

Tourism is interconnected with other sectors; therefore, a positive impact might be achieved across numerous industries. By encouraging a sustainable consumption and production, tourism has the opportunity to support a circular approach in agri-business, construction, transportation and local communities. The movement towards sustainability requires a coordinated action and a significant investments effort and a shift toward regenerative mindsets, policies to ensure effective approaches in achieving the SDGs.

Addressing the issues of vulnerable social groups as young generation, women, local communities and proactively inclusive tourism and persons with disabilities will determine a proactive approach to inclusion in tourism sector.

There is a need for enhanced and adapted policies and measures that provide an equitable and positive work environment with decent work opportunities for all. Ensuring a fair distribution of its gains, tourism can play its role to support business creation, encourage innovation, improve productivity and addressing the needs of all actors for a sustainable and resilient sector.

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Figure no 3. WTTC Decarbonisation Action Framework

Source: (WTTC, 2021)
Throughout local and international partnerships between public and private organisations, involving capital owners, social and environmental associations and tourism workers, there will be identified and developed more innovative and sustainable tourism initiatives. On the other hand, the visitors have a critical role in transforming the sector asking for sustainable tourist services. The shift in tourist’s behaviour and expectations is a reality and the pace is growing, putting pressure on tour operators, hotels and airlines.

At the same time, the tourists should be better informed on the benefits of sustainable destinations and services to encourage a larger offering and define their expectation to drive a positive change in tourism. According to a WTTC survey (Figure no. 4), the global travellers are sensitive to sustainability aspects. Acting as relevant and powerful stakeholders, visitors have the power to push for a real transformation of the sector. Involving all actors and stakeholders to contribute and collaborate will encourage the formation of sustainable partnerships. These collaborations drive a positive change, develop new services and new ideas that support innovative, inclusive, and sustainable tourism.

![Figure no 4. Relevance of sustainability among global travellers](source: WTTC, 2021)

Addressing social inequality, inclusion and social justice, the tourism sector has the opportunity to cooperate with governments and local communities to invest in training programs aiming upskilling, reskilling and new skilling tourism actors, focusing on vulnerable groups (such as youth, women, Indigenous Peoples and persons with disabilities). Developing new skills and expanding knowledge on digital and financial tools and methodologies, there is a huge opportunity in reducing gaps in gender, between developed and developing countries as well as between urban and rural areas.

In pursuing a more sustainable business model that determines a real change in the way of doing business, organisations have to rely on environmental and socio-economic data to understand the external and internal nature context. One of the challenges organisations face integrating sustainability is the lack of reliable economic, social and environmental data and concrete solutions to identify and assess related risks and opportunities. In this sense, the international Statistical Framework for Measuring the Sustainability of Tourism provides a common ground to assess the role of tourism in sustainable development.

The aim of the Statistical Framework for Measuring the Sustainability of Tourism is to provide to all decision makers and stakeholders a sufficiently comprehensive set of data to make their own assessment of sustainability in tourism in a holistic and well-informed way. The current trend at global level is to consider the interconnected relation between the economy, the environment and society using a nested systems framing (Figure no 5), here the economic system is embedded within a social context which in turn sits within an environmental system.
Harnessing the latest scientific and social research to better understand the role of tourism in the global socio-economic environment and encouraging the exchange of knowledge between traditional and non-traditional actors will reduce knowledge gaps and help design innovative approaches to meet the SDGs.

Considering all these key enablers that offer the tourism the great opportunity to transform its business model in a more sustainable, equitable and inclusive one, the sector will enhance also the long-term planning capability to foster its resilience.

As many other industries, tourism is facing a challenging period, after pandemic, current geo-political unrest, energy transition and climate change are putting a huge strain on destinations, tour operators, hotels and local communities. A holistic approach to a more efficient and sustainable destination management will help the sector adapting to today’s challenges.

The Glasgow Declaration on Climate Action in Tourism, defined the objectives of reducing emissions by 50% before 2030 and reaching Net Zero, at the latest by 2050. In the same time five lines of action were proposed: measurement, decarbonisation, regeneration, collaboration, and finance.

Regarding the measurement of the carbon footprint, an important step is the transition to the responsibility of the producer and the territorial one, to the responsibility of the consumer. (Osorio et al, 2023, p. 314)

5. Sustainable Coastal Destination Management Best Practice – Balearic Region of Spain

Destination management has a traditional approach, focusing on promoting its services and products. Over the last years, many countries and destinations understood the need for a more holistic approach to address the needs of all stakeholders across tourism value chain.

Destination management needs to extend the traditional approach of destination marketing and design and implement policies and actions to create a more stable and equitable ecosystem for the sustainable development of tourism in its three dimensions – social, economic and environmental.

Implementing a strategic approach to plan and manage the destination, encouraging partnerships, sharing best practices and promoting participatory socio-economic platforms, the leaders have an opportunity to build up a more adapted business model and offerings that “encompass the entire customer journey and maximize the visitor experience while benefiting local businesses and improving the quality of life of residents”. (UNWTO, 2023)

Have a long tradition as management destination, post pandemic the Balearic Region has become Spain’s most successful tourist area. However, the experience of last years demonstrated that sustainability is a pure necessity in the region for the future growth of tourism. As a result, in May 2002, the local government passed new legislation with the aim of making the region’s tourism industry environmentally friendly and to create a sustainable and regenerative tourism model for the Balearic Islands.
The Balearic Islands Region has adopted 17 goals to help transform our world, as set out in the 2030 Agenda for Sustainable Development by the United Nations Member States. These goals include the End of Poverty; improved Health and Wellbeing; Clean Water and Sanitation; Affordable and Clean Energy; Responsible Consumption and Production; Climate Action; protection and regeneration of marine life.

In Mallorca there are increasing number of companies and initiatives aware of the need to work to ensure a sustainable future both for the island and for tourism that remains the island’s most important source of income. (News Mallorca, July 2022)

As results, the “Conseil de Mallorca” through the Mallorca Tourism Foundation has created the Sustainable Tourism Observatory of Mallorca (STO Mallorca) in accordance with the principles and recommendations of the World Tourism Organisation (WTO). The mission of the Sustainable Tourism Observatory of Mallorca is to generate valuable information to guide public and private sector decisions, providing intelligence to the entire value chain in order to increase its competitiveness and productivity, always taking into consideration the guiding principles of sustainability. Since 2021, the initiative is part of the International Network of Sustainable Tourism Observatories (INSTO), a network of tourism observatories that monitor the economic, environmental and social impact of tourism at destination level.

Having as main objective to position the island among the leading tourist destinations in terms of tourism management based on quality, sustainable development and collaborative work, STO Mallorca has the vision to generate strategic knowledge by applying innovative research techniques to the changing environment and tourism demand.

Through an active participation of all decision makers and cooperation between local tourism actors, the initiative generate synergies and cooperative learning between the public and private sectors, facilitating the design of policies and strategies based on the inalienable criteria of sustainable development, taking advantage of technological advances and caring for the socio-cultural heritage. (Sustainable Tourism Observatory of Mallorca, 2023)

The future of tourism lies in sustainability and inclusion, and the role of tourism in progressing the SDGs is increasingly recognized in national development agendas. Emerging enablers identified as key aspects to be addressed in pursuing a sustainable tourism will have varied applications in every country. Each country should prioritize their national needs in development.

6. The Romanian Black Sea Coast tourist destination

Tourism is an important sector of the economy of Romania. In 2019, tourism directly contributed RON 31.6 billion to Romania’s economy, equating to 3.0% of total GDP. The sector directly supported 412649 jobs, representing 6.3% of total employment in Romania. The impacts of the COVID-19 pandemic saw tourism employment fall to 393427 jobs in 2020, or 6.1% of the workforce. (OECD, 2022).

The tourist resorts of Romania on the Black Sea are located on the same geographical coordinates (between parallel 44 25’ and parallel 43 25’ north latitude) as other famous tourist resorts in Europe, such as San Remo, San Marino, Monaco, Rimini. (Jugănu, 2004, p.54)

The existing tourist accommodation capacity of these coastal resorts and touristic localities was (according to statistical data collected by the NIS from tourist accommodation structures with an existing accommodation capacity of at least 5 beds), in the year 2021, of 92,901 beds, in 1207 accommodation structures having tourist functions, representing 13.2% of the number of units and respectively 25.49% of the total tourist accommodation capacity of Romania, according data of the National Institute of Statistics (Tempo online) (NIS, 2023)

The existing tourist resources in Constanta, at city level as well as at the level of the area whose center it is (the metropolitan area, the county, including the area neighbouring the Danube Delta) compose a complex, diversified tourism product with a great potential to meet distinct needs and reasons to travel. All tourist resources consist of the natural and man-made heritage, the material and immaterial heritage of the area, the built, economic or symbolic capital of the area.

Considering all the advantages of Constanta Region, in the context of current trends of sustainable tourism, Black Sea Coastal tourism has the opportunity to adopt a sustainable tourism model to thrive as major touristic destination.
Working towards the most relevant aspects for Dobrogea Region as climate action, environmental protection, inclusive tourism, international cooperation and local partnerships, Black Sea Coastal tourism should define a long-term forward planning to build a sustainable tourism fostering competitiveness and resilience. The opportunities that derive from key enablers of Black Sea Coastal tourism define the strategic development objectives, establishing a roadmap based on key area of action. Each of those areas should include a list of identified opportunities, associated objectives, recommended actions as well as their connection with the SDGs.

Following the best practice in the coastal tourism development as Balearics sustainable tourism model, Black Sea Coast should adopt a roadmap to guide its journey to become a sustainable destination. On the road to progressing the sustainable tourism, India’s G20 Presidency has identified five priority areas for the Tourism Working Group (TWG) (Figure no 6) where the tourism sector can lead in making important contributions. Should be noted that these five priority areas are interrelated and should be addressed collectively. (UNWTO, 2023)

Figure no 6. G20 tourism priority areas ranked by importance by the G20 Tourism Working Group, 2023

7. Conclusions

The development of sustainable tourism requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure their broad participation and involvement and to build consensus in decision-making.

Sustainable tourism is a continuous process and requires constant monitoring of impacts, implementation of preventive and/or coercive measures, as appropriate, when necessary. On the other hand, sustainable tourism must maintain a high level of tourist satisfaction and provide them with meaningful, memorable experiences, raise their awareness of sustainability issues and promote sustainable tourism practices among them. (Niedziółka, 2014, p.160)

In Romania, relatively recent amendments to the legislation on Destination Management Organizations (DMO) allowed the creation of the first such organizations, created as Public-Private partnerships, between local public authorities and private tourism entrepreneurs in each destination. These DMOs will be established on 4 levels: local (at tourist destination level, county, regional and national - the National Tourism Destination Management Organization. (Jugănaru, 2022, p. 303)

According to data published on the official website of the Romanian Ministry of Economy, Entrepreneurship and Tourism, on 17.05.2023, the updated list of DMOs already established included 11 organizations, of which 9 at local level, one at county level and one at regional level. Of these, the third established, chronologically, was DMO Mamaia-Constanta, the only one in the coastal area of Romania, until that date. (MEET, 2022)

Negotiations are underway for the signing, in a short time, of the founding documents of DMO at the level of Constanta County, on whose territory are located all the tourist resorts of national interest in the coastal area of Romania.

These organizations will have to play an essential role in developing, then implementing destination development and marketing strategies, including an action plan that will achieve a sustainable model in tourism in the coastal area of Romania, taking over the best examples of good practices in the field, at European and global level.
8. References


