THE IMPACT OF TOURISM ON COASTAL AREAS
European Parliament
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THE TOURISM INDUSTRY IS A CROSS-CUTTING SECTOR AFFECTING MANY OTHER ECONOMIC ACTIVITIES: TRANSPORT, CULTURE, RETAIL AND OTHER TRAVEL-RELATED SERVICES
INTRODUCTION

Tourism is the largest service industry in the European Union. It accounts for more than 4% of the Community’s GDP and employs about 4% of the total labour force, when only hotels and travel agencies (the core businesses) are considered. Should the links to other sectors, such as for example transport, restaurants, attractions, be taken into account, these estimates almost triple. This is why tourism is often considered as a promising sector in terms of contribution to the achievement of the Lisbon Strategy goals of growth and employment. In particular, within the tourism offer, coastal tourism is by far the most significant in terms of visitor numbers and income generated.

Most of the economies of Member States with significant lengths of coastline are highly dependent on the incomes generated by sea-related activities, such as tourism, fishing, transport etc. However, the use of the sea for such different purposes generates increasing pressure. Quality tourism can contribute to the sustainable development of coastal areas by improving the competitiveness of businesses, meeting social needs and preserving the cultural and natural environment.

From a regional development point of view, coastal regions exhibit different strategic approaches to coastal tourism. Structural Funding can offer good opportunities for planning projects to enhance the attractiveness of a region.

The present handbook provides an analysis of the impact of Structural Funds expenditure on tourism projects in coastal regions, and sets out policy-relevant advice for decision-makers concerning support for the coastal tourism sector. In particular it outlines how Structural Funds have:

- fostered partnership;
- stimulated national investments in financial terms;
- participated in the revitalisation of the local economy;
- encouraged a different kind of tourism;
- taken into account environmental sustainability.
European coastal regions widely differ in terms of socio-economic and tourism-related features: six macro-areas can be identified.
TRENDS IN EUROPEAN COASTAL TOURISM

When talking about coastal tourism, a wide variety of different tourism models are included: coastal regions comprise, in fact, a broad set of socio-economic contexts, with different regional development needs and approaches. Tourism is one of the most dynamic sectors contributing to the economic and cultural development of European countries. Its evolution is connected to historical events occurring through the centuries, and its impacts are the result of the social, environmental and cultural changes it determines. The extensive European coastal area has attracted more and more holidaymakers since the 18th century, and it is now one of the most important tourist resources.

The coastal tourism sector in Europe is undergoing profound changes, due to increased competition and evolving tourist preferences. The overall effect is a demand for more quality at the lowest possible price. The popular ‘3 S’ (sun, sea and sand) model is declining, since nowadays tourists have greater expectations than in the past. They demand a wide variety of associated leisure activities and experiences, including sports, cuisine, culture and natural attractions.

Mediterranean regions have been forced to reinvent their local offer to face the competition of newer, less crowded and cheaper coastal destinations in Europe. However, the urban tourism model they had developed for most of the last century has been considered a success key for European destinations deciding to develop their coastal heritage.

Selected socio-economic indicators for coastal regions by macro-area

<table>
<thead>
<tr>
<th>Macro-area (*)</th>
<th>N. of regions</th>
<th>Population density (inh./km²), 2004: (average at NUTS2 level)</th>
<th>GDP/head in € 2004 in PPP: (average at NUTS2 level)</th>
<th>Unemployment rate (%), 2005 (average at NUTS2 level)</th>
<th>People employed per sector (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Coastal</td>
<td>128**</td>
<td>273.75</td>
<td>20,635</td>
<td>8.62</td>
<td>24.64 69.06</td>
</tr>
<tr>
<td>North Sea</td>
<td>25</td>
<td>341.98</td>
<td>24,719</td>
<td>5.86</td>
<td>3.07 23.75 73.17</td>
</tr>
<tr>
<td>Atlantic Ocean</td>
<td>35</td>
<td>250.86</td>
<td>21,832</td>
<td>6.48</td>
<td>4.85 25.46 69.70</td>
</tr>
<tr>
<td>Baltic Sea</td>
<td>21</td>
<td>63.67</td>
<td>20,210</td>
<td>10.48</td>
<td>6.24 24.97 68.79</td>
</tr>
<tr>
<td>Mediterranean Sea</td>
<td>40</td>
<td>400.32</td>
<td>18,988</td>
<td>9.87</td>
<td>9.33 25.41 65.26</td>
</tr>
<tr>
<td>Black Sea</td>
<td>3</td>
<td>72.83</td>
<td>7,820</td>
<td>9.42</td>
<td>33.47 27.45 39.08</td>
</tr>
<tr>
<td>Outermost regions</td>
<td>7</td>
<td>223.7</td>
<td>15,529</td>
<td>17.11</td>
<td>5.24 17.69 78.77</td>
</tr>
<tr>
<td>Total Non Coastal</td>
<td>137</td>
<td>466.57</td>
<td>20,904</td>
<td>9.54</td>
<td>6.58 29.81 63.79</td>
</tr>
</tbody>
</table>

Source: Csil processing of the Fourth Cohesion Report data (DG Regio)

(*) All the averages per coastal/non-coastal region are calculated by considering the single regions as unit measures. (** Denmark, Sweden (SE) and Schleswig-Holstein (DE) have been included twice, both in the Baltic Sea and the North Sea macro-area. Highlands and Islands are included twice, both in the Atlantic Ocean and North Sea, while Andalucia has been included both in the Atlantic Ocean macro-area and Mediterranean macro-area.)
Mediterranean regions

The Mediterranean coast seems to be the place where European tourism trends are best represented. Thanks to cultural, geographical and climatic conditions, the attractiveness of Mediterranean coastal areas has grown greatly in recent decades: an increasing demand for high-quality holidays has determined the combined development of infrastructure and leisure facilities.

Although Slovenia is now strengthening its role as a tourism destination, other coasts can be considered the most popular tourism destinations in Europe. However, Mediterranean coastal regions are now suffering the changes characterising the “new” holidaymakers more than other newer coastal destinations in Europe. Due to this, Mediterranean regions have started to develop other forms of tourism, connected to their coastal resources and landscapes and to their cultural and natural heritage. Fishing tourism, wine-tasting, gastronomy, health and wellbeing holidays, and green tourism are just a few examples of this trend.

Baltic regions

The aspect best representing tourism development in the Baltic Sea area is the common purpose to create an integrated tourism system for the economic growth of the countries concerned.

Destinations bordering the Baltic Sea attract tourists mainly because of their natural and cultural heritage and landscapes.

In particular, the natural heritage offered by Finnish coastal regions makes them some of the most important tourist destinations, while the Swedish coastal regions boast one of the most important navigation traditions, especially in the city of Stockholm where there is a famous sailing school. Nevertheless, some German and Polish regions seem to be characterised by a tourism model which is similar to the Mediterranean urban one. This means sandy beaches, seaside resorts and tourist entertainments with a varied combination of attractions. However, the Baltic Sea coast is generally characterised by domestic rather than foreign tourism.
North Sea regions
Because of climate conditions, many tourists visiting the North Sea regions experience the sea as much for the natural landscape as for the possibility of bathing. This means that much of the local tourism offer is concentrated on different sporting opportunities and on the natural and cultural heritage. For example, Germany’s coastal tourism is particularly appreciated because of its beaches and activities such as bathing, sailing, surfing, and kite surfing, facilitated by its favourable wind conditions, while the Belgian coastline comprises seven municipalities, each with a different character: from Knokke-Heist-Het-Zoute in the north to De Panne in the south, tourists can find golf clubs, fashion shops, museums, art galleries, and opportunities for gastronomy.

The United Kingdom’s coasts are bordered both by the North Sea and the Atlantic Ocean: this feature creates a special mixture of geographical and morphological differences which make it one of the most interesting European coastal destinations.

Atlantic regions
Historical beaches and seaside resorts characterise local tourism trends along the Atlantic coastal regions. That is why bathing tourism, enriched by natural and cultural heritage, seems to be the preferred activity.

These historical beaches combine seaside with mountain activities, and attract tourists to explore their natural landscapes and cultural heritage. On the northern French coast, the climate is mild and temperate and, as with the Belgian and English regions, tourism activities can be summarised as sport (including golf, cycling, horse-riding, angling), gastronomy, and natural and cultural heritage. Portugal’s coastal tourism is characterised by two main themes: sand and beaches. The Algarve, in the south, is the most popular coastal destination in the country. In addition to this “traditional” tourism offer, golf tourism is a growing market segment and is considered a very important way to diversify the offer to visitors in summer.

But many new coastal destinations are emerging, combining sea activities with the natural and cultural heritage of the country.
Black Sea regions

Although mass tourism development in the Black Sea coastal regions has relatively recent origins, tourism statistics demonstrate the growing popularity of these areas. In Bulgaria the number of places to stay increased at an average rate of +13.7% each year in the period 2000-2005, and Romania, another emerging Eastern European tourism destination, recorded a positive balance of 136 million euros in 2005, comparing tourism expenditure and receipts.

Focusing on their natural and cultural heritage, they have developed the typical Mediterranean urban tourism model, aimed at addressing the demands of international tourism. The Romanian coastal area is similar to Bulgaria: as well as the modern facilities offered by seaside resort, tourists can visit many historical sites, ancient monuments and traditional villages preserving the cultural heritage. In particular, the Romanian coastal region of Sud-Est is famous for its vineyards and for its spas, especially in Eforie Nord and Mangalia where there are specialised mud-baths.

Outermost regions

Sea, sand and natural beauty represent the real attraction for international tourists visiting the Outermost regions.

In spite of the increasing tourism development characterising these areas, the preservation of traditions and the authenticity of the typical way of life by the local population, represented in events usually staged for tourists, is known all over the world.

The Canary Islands, with their 1,114 km of coastline, have seen very great growth in hotel accommodation capacity in the last decade: here tradition and modernity seem to live side by side.

The French Outermost regions, Guadeloupe, Martinique, Guyane and Réunion, provide tourists with various activities connected to their natural and cultural resources. The Região Autónoma dos Açores, offers tourists different landscapes, natural environment, choices of accommodation and entertainment, while the natural environment, mild climate, tradition, customs and different kind of attractions and entertainments attract tourists to Região Autónoma da Madeira.
The impact of Structural Funds on coastal tourism

The main funding sources for tourism at EU level are the Regional Policy financial instruments, in particular the European Regional Development Fund (ERDF). In fact, tourism policy is primarily of regional and national competence, and no EU policy is specifically dedicated to it. Consideration should also be given to other EU thematic instruments, relating for instance to enterprise, transport, environment, education and culture, which indirectly have relevance to the tourism sector. Most important coastal tourism destinations in Europe receive Structural Funds support through regional operational programmes and, to a minor extent, sectoral national operational programmes.

The overall impact of Structural Funds on tourism sector in coastal regions is varied. In qualitative terms it has had a positive impact, especially in terms of institutional building and enhancing planning capacity. In coastal tourism Structural Funding has led in particular to a growing awareness in terms of the need for integration of policies for coastal areas and the environmental sustainability of interventions. Since EU policies concerning coastal regions (maritime transport, industry, offshore energy, fisheries, the marine environment and others) have been generally developed separately, joint action between EU and Member States (at national, regional and local level) is now felt necessary to provide effective policies to address the challenges facing coastal regions.

In more quantitative terms, the impact of is less clearly identifiable. Firstly, tourism is not a priority for Structural Funds interventions (such as for example transport, environment, innovation), so only a minor share of total spending (9.5% in Objective 2 regions, only 3.1% in Objective 1 regions) is devoted to tourism.

Secondly, coastal tourism is embedded in the tourism offer of the region. Policy priorities of regional development plans generally address the whole of the tourism offer rather than focusing specifically on coastal tourism.

Thirdly, tourism is one among many sectors affected by broader strategies of regional development (such as enhancing the attractiveness of regions and fostering competitiveness). Tourism

Structural Funds, and ERDF in particular, are the major funding source for tourism at European level
Box 1

Different approaches in tourism interventions within the Structural Funds framework

Pomorskie (Poland)
In the period 2007-2013 the main types of investment are within the Regional Operational Programme (ROP) and national Operational Programmes (OPs). In case of the ROP, all measures are potentially connected with tourism. Among these, cultural heritage tourism, SME support, and regional and local infrastructure will make the greatest contribution to tourism development.

In the case of the centrally managed OP Infrastructure and Environment, there are several transport infrastructure projects to be co-financed, among which are two motorways, railroad modernisation, accessibility of the airport, and harbour infrastructure projects. Summing up, in the new programming period in ROP and in central OPs most of the projects are of infrastructural nature. Only a fraction of them directly support the tourism infrastructure and cultural heritage.

Marche (Italy)
In contrast to the previous programming period, the new strategy adopted by the Marche Region underlines the necessity for promoting a more integrated regional tourism offer with the involvement of the hinterland.

The new planning aims at creating tourist circuits capable of offering on the one hand new employment opportunities in the localities involved, and on the other, providing the whole tourism sector with an innovative push to face the pressure of the international market.

The plans for the current programming period would associate the attractions of the coastline with the cultural and natural heritage of the hinterland in the light of integrated management.

Source: Cisl processing of the Fourth Cohesion Report data (DG Regio)

The seasonality of tourist flows, the increasing demand of leisure activities and the rising of environmental pressures call for a re-shape of some of the traditional coastal destinations

is rarely a stand-alone priority; usually it is associated with broader strategies of fostering competitiveness, diversifying productive activities within declining areas, and community-led economic and social renewal priorities. For this reason, measures specifically addressed to this sector are often diluted into broader strategies of urban regeneration or support for the productive environment.

In terms of typologies of interventions, there is still a predominance of physical and infrastructural investments aimed at increasing the accommodation supply and improving the accessibility of areas, rather than non-physical interventions concerning service provision, territorial marketing and, in general, with the diversification of the tourism offer.

This is typically found in Objective 1 regions, while for Objective 2 regions grant schemes to small and medium-sized enterprises (SMEs) for increasing the accommodation supply are traditional interventions in the sector. The evidence highlights two distinct dynamics:

- in general, regional tourism policies in the new programming period (2007-2013) are moving towards a more qualitative and integrated approach in order to reduce the pressure on the coasts and to offer a more developed set of activities and entertainment. This is particularly true for the regions belonging to the Competitiveness Objective, allowing financial contributions in the tourism sector only to integrated and pilot projects;
- the new Member States seem to favour a more traditional approach, based on physical investments, basically with direct support for accommodation or transport infrastructure. Providing a significant infrastructural supply is a major need, while the diversification and evolution of this supply into a more innovative range of leisure activities is only a secondary priority.

Although good practices in using Structural Funding for coastal tourism can be found, there is still a lot to do in terms of enabling local policy decision-makers to cope better with the challenges that coastal tourist destinations are facing.
The governance framework in the tourism sector is characterised by a multi-level, multi-sectoral dimension. Multi-administrative layers of institutions are engaged in the design of tourist strategies, for example national ministries of tourism and culture, regional and local agencies for development, special agencies for tourism development, and local offices in municipalities or groups of villages.

As pointed out also in the framework of the new EU Maritime Policy, a special effort must be put into governance since the coastal areas involve a mix of properties, users and jurisdictions. If an integrated approach to design and planning is not put in place, there is a risk of conflicting measures being pursued. For this reason a tourism plan must be interdisciplinary and the process should be collaborative and integrative.

Adequate public infrastructure and good networking and cooperative attitudes among all the relevant stakeholders and the general public are the only approach which can guarantee the success of a sector where the tourist usually takes a decision in favour of a destination which can offer a set of differentiated recreational experiences.

Degree of involvement

With regard to the tourism sector, Structural Funds have contributed to an exchange of ideas between all the relevant actors on how to transform the tourism sector into an instrument for regional development and to the strengthening of the partnership: on the one hand between the regional and national public authorities, and on the other hand between the public authorities and private actors.

In general, the degree of involvement of actors is more visible in the “upstream” activities of design and planning rather than in the implementation and delivery mechanisms.

This usually increases the short-term perspective of the planning exercise and does not help in the dialogue and clear sharing of the policy visions, while successes are recorded when the role of actors is more proactive and relevant in all the policy phases.

For example, good practices are recorded when managers of protected areas were included among the implementing actors of
The Structural Funds’ impact on developing the partnership principle in the tourism sector is significant and mostly relevant.

Box 2
The Deep (city of Hull): an example of successful partnership

The Deep is a not-for-profit aquarium and visitor centre situated on the north bank of the Humber Estuary, dedicated to increasing people’s enjoyment and understanding of the world’s oceans. It was developed by a genuine partnership of public and private sectors, between the City Council (and led by the Council), the Natural History Museum (at an early stage), a private sector company, and the University of Hull.

Developing the concept of The Deep proceeded gradually: there were initial phases of researching proposals and viability, refining the original scope and intentions of the project, until the final strong, visionary concept emerged. Community engagement was key to the project’s success; local support was built up during the development phases by explaining it to all kinds of local community groups. This was crucial to building the vision, as for some it was controversial; many thought that because of the nature of Hull, considered by its inhabitants to be an industrial city and port with no tradition of tourism, the project would not succeed.

The Deep consists of four elements: a tourist attraction housed in an iconic building with one of Europe’s deepest tanks (known as the ‘submarium’); a business centre, renting high quality business units (managed workspaces); a lifelong learning centre; and a research facility used by the University of Hull’s department of marine studies.

The visitor attraction uses a combination of interactive displays, audiovisual presentations and living exhibits. It has a very active education programme, with an average of 20,000 school visits a year, and it employs two full-time teachers. A team of marine biologists looks after the animals, as well as carrying out research into the marine environment. The Deep was originally expected to attract 250,000 visitors annually. In its first full year, The Deep had 855,057 visitors; after five years the number has now settled down to some 400,000 visitors annually.

The most recent annual turnover was €8.2M. The surplus is reinvested in the business to update and generate exhibition content.

Source: Authors

Typologies of actors
The involvement of many different actors with an interest in tourism policies creates the potential for conflicts between stakeholders. For this reason, a large partnership at local level is highly desirable in the implementation of tourism strategies.

The evidence shows that, in the best examples, the following actors are involved in the planning and implementation phase: regional and local public authorities, private sector representatives (owners of hotels and other accommodation facilities), environmental associations, and chambers of commerce.
In particular, local public authorities in coastal areas usually play the most active role in coastal tourism partnerships. A more progressive approach to coastal tourism would require that not only local authorities and private entrepreneurs should be the key actors within an effective partnership, but also environmental bodies, representatives of the productive sectors related to the sea (fishing for example), experts and actors in the cultural sectors, and the scientific community with an interest in sea-related activities.

Tourism is a cross-cutting sector and in view of the complexity of the relationships and activities affected, all the parties concerned (economic, social, environmental actors, the organisations representing coastal zone residents, non-governmental organisations, business sectors, etc.) should be involved in the planning and management process.

In fact:

- business associations of sea-related productive activities (fisheries and aquaculture, shipping, cruising and others) have a key role to play in the objective of revitalising the local economy, since many coastal regions are facing economic decline and continuing job losses in such sectors.
  
  For example, in the Pomorskie region (Poland), many fishermen have received financing from the Financial Instrument for Fisheries Guidance (FIFG) within a framework aimed at the change of usage of fishing boats, which became museums or leisure craft for tourists;

- the scientific community also has a significant role to play in the definition of priorities and identification of creative ways of
At the project level it is necessary to include the resident community within the relevant stakeholders to be involved.

Box 3

Interreg initiatives and partnership: the "Adriatic report" project

The Interreg "Adriatic Report" project has two aims:
- to create a network of tourist marinas across the Adriatic from Marche to Croatia;
- to extend the local tourism and cultural offer by identifying tourist routes from the coasts to the hinterland.

In order to achieve these objectives, a complex partnership involving economic, social and institutional actors from Marche and Croatia was put in place for both the project planning and implementation phases.

Given the strong administrative differences existing between the two countries and the presence of private sector representatives, an effort to formalise relations and standardise procedures was necessary.

Marche Region was the lead partner, with administrative and financial responsibility for the project. Croatian partners, even without budget ownership, were continuously involved in the way the project was implemented in their territory.

The process was highly complex due to some differences between the actors, particularly in the determination of qualitative standards in the context of environmental protection, and the variations between the Structural Funds mechanisms and the instruments of pre-accession, for which Croatia is eligible. However, the will to overcome challenges and make the project work has remedied such problems and contributed to obtaining a successful outcome, indicating that cross-border cooperation can be seen as a useful tool for the strategic development of coastal tourism.

Source: Authors

Exploiting and realising the value of natural resources. This is particularly relevant for the strategy of diversifying the leisure opportunities offered to tourists. Maritime archaeology, for example, is increasingly becoming popular: the potential for developing this activity is great, and the opportunity to use it as a positive recreational resource is significant.

The local community should be consulted at an early stage and throughout the conceptual development of a project, otherwise there may be a high risk of having a project rejected at a later stage.

Particularly in coastal areas where tourism does not represent the only economic activity, it is important to understand if the local residents are really involved with and supportive of a policy with a strong stake in tourism development.

For cross-border regions the exchange and sharing with stakeholders and communities of the neighbouring regions can be a successful way of exploring new approaches to territorial marketing. The Interreg Initiative of the Cohesion Policy can significantly contribute to the exchange of information of good practices in this field, promoting also cross-border actions in coastal areas (Box 3).

To sum up, it is essential to start thinking in terms of general territorial marketing, aiming to identify the real nature and vocation of the area and to reconcile the different stakeholders and their needs. In particular, it is essential that residents are involved from the beginning of the process (Box 2).
Only a small proportion of Structural Funds is invested in tourism (Tab. 3). Although constituting a minor contribution in quantitative financial terms, Structural Funding did contribute to the development of some innovative practices for the leverage of private and national funds for strategic projects in the tourism sector. The public sector, at national and local level, on average funded the largest share of the total cost of projects in Objective 2 regions. In Objective 1 regions, on the other hand, the Structural Funds played a major part in co-financing tourism projects (Chart 1), while the private sector was a significant player in the design and implementation of the measure only for strategic projects.

**Public-private partnership**

Participation of the private sector is still not so relevant. The most common attitude of the private sector towards public funding is grant-seeking for private investment needs. Typically, in the tourism sector enterprises are mostly SMEs, which increases the prevalence of this attitude. In the case of other stakeholders the promotion of a specific aspect is the only contribution foreseen in the design of the interventions (for example, environmental associations requesting environmentally friendly measures). It has been noted that in the case of direct support for firms, the selection process for co-financing investment projects was biased towards manufacturing, neglecting the service sectors. Furthermore, in the new Member States the participation of private firms was also weak because of the poor association level.

### Tab 3

<table>
<thead>
<tr>
<th>Domain</th>
<th>Ob. 1</th>
<th>Ob. 2</th>
<th>Ob. 3</th>
<th>Community Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive Environment</td>
<td>24</td>
<td>56.2</td>
<td>0.6</td>
<td>20.9</td>
</tr>
<tr>
<td>of which Tourism</td>
<td>3.1</td>
<td>9.5</td>
<td>0.1</td>
<td>5.2</td>
</tr>
<tr>
<td>Investment in People</td>
<td>26.5</td>
<td>13.4</td>
<td>0.7</td>
<td>5.2</td>
</tr>
<tr>
<td>Basic infrastructure</td>
<td>47.6</td>
<td>28.1</td>
<td>0.4</td>
<td>28.0</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.9</td>
<td>4.3</td>
<td>1.6</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


### Chart 1

**Financial allocation to tourism by objective and funds origin, 2000-2006**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Euro Billion</th>
<th>Euro Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>0</td>
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<tr>
<td>2</td>
<td>20</td>
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<td>3</td>
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<td>5</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>60</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Author’s processing of DG REGIO data.
of private tourism enterprises.

However, there are examples of good practice especially in Objective 2 regions, in the case of flagship projects of urban revitalisation and major initiatives for regional marketing.

**Attracting private investors**

A key challenge for public-private partnerships is finding sustainable and effective ways of providing incentives to private investors: this can be done by having sources of revenues coming from the indirect effects of attracting people, not only tourists, into an area.

When attracting private investors for cultural and tourism projects, efforts should be made to find innovative measures to generate revenue in addition to sales of tickets to tourists.

In the case of The Deep (Box 2), building high-quality business units for rental and thus responding to commercial needs within the city was part of the whole scheme from an early stage; this form of cross-subsidy meant that the aquarium would not be so reliant on visitors’ flow, which naturally fluctuates, and could therefore set admission charges at reasonable levels while reducing the project’s financial risk and providing job security for staff. Furthermore, this tactic could be promoted as a support to the overall conditions necessary to make business successful rather than supporting a particular business directly.

This could easily be done by means of interventions of urban renovation, territorial marketing, and improving of existing infrastructure such as transport and environment, especially in the Convergence regions. The recommendation here is to concentrate resources on more large-scale innovative projects, rather than on supplying grants.

This is an approach which proved to be successful in providing good incentives for the participation of private investors in a more long-term perspective.

Public confidence associated with the density of the investment, and high-visibility and high-profile projects, makes it easier to attract private investors. Investment in visibility is also key to attracting the private sector: while in the start-up phase of a project public funds are more necessary, a flagship project is able to attract private funds for visibility or extra-tourism purposes. Rural coastal areas may have not the same concentration of public resources, and unlike urban coastal centres they have not been as successful in attracting private finance.
In the last decade, the job creation rate in tourism has been above average compared to the European economy as a whole: in the 2000-2005 period, for example, the average annual growth rate of numbers employed in hotels and restaurants was 2.9%. Moreover, tourism plays a crucial role in areas of industrial or rural decline, or subject to urban regeneration: this is particularly relevant given that one of the major trends in the tourism sector is to increasingly diversify the range of activities offered to tourists, and is also connected to the encouragement of different kinds of tourism in order to address the seasonality character typical of coastal tourism. In fact, the decline of the fishing sector in most coastal areas has contributed to a consistent loss of employment with resulting social and economic deprivation.

Furthermore, almost everywhere rural coastal areas are facing important demographic challenges, with ageing populations and youth retention problems.

The integrated approach emphasised in the Structural Funding interventions has proved to be very effective in addressing these issues.

Impact on regional growth

It is too early to discuss the impact of Structural Funds on regional growth for the period 2000-2006, and in any case this figure cannot be estimated for coastal tourism on its own. In general, the effect on growth of coastal tourism expenditure under the Structural Funds depends upon the features of the regions examined. In some cases coastal tourism and regional tourism may coincide. In such regions, the tourism sector is the leading sector, and the economic impact of Structural Funds is highly effective.

This is, for example, the case in the Algarve, where activity sectors like building and real estate, commerce and transport, boosted by tourism development, have experienced impressive growth. In other cases, coastal tourism represents only a sub-sector within the broader tourism sector, so that Structural Funding interventions in coastal tourism are less significant.

In each region, the local authorities addressed the EU funds to different targets, depending upon local priorities, supporting for example:

- new forms of tourism related to the discovery of the cultural and natural heritage of the hinterland (due to the macroeconomic problems related to the decline of traditional rural and industrial sectors);
- the renovation of already existing accommodation infrastructure (with a set of additional services, such as sports and cultural facilities, etc.);
- the development of branded tourism products;
- the improvement of transport.

Good planning and management also affect the Structural Funds’ impact on growth: the more the Structural Funding mechanism is integrated into the administrative capacity, the higher is the impact.
Impact on regional employment

Generally interventions in coastal tourism positively affect employment dynamics in terms of job creation in the sector. The evidence confirmed this tendency. The creation of new jobs in the tourism sector may contribute to the migration of employers from other sectors in decline.

For example, in some cases tourism absorbed employers from the manufacturing, textiles, chemical and fishing sectors, determining a re-allocation of the workforce.

Generally, in the case of regions mostly developed along their coastlines and suffering rural and industrial decline inland, coastal tourism may attract workers from the country, exacerbating the phenomenon of social marginalisation and depopulation of less developed areas.

Quality of employment

An important issue to be addressed is the nature of the new jobs related by tourism in coastal regions: young and less skilled persons are often those who take up the job opportunities of tourism, which needs waiters, cooks, barmen, entertainers, promoters, sports teachers, etc.

Most of these people do not have fixed-term contracts and may be unemployed again out of the season. Also, wages are usually low, despite long working hours. The issue of quality in tourist employment is an important one for local decision-makers. To this end, Structural Funds are used also to improve the quality of tourism employment.

In the Marche region (Italy), for example, in the framework of an Interreg initiative, a survey about the professional needs in the tourism sector was conducted, both in the region and in the partner country, Croatia.

Some multi-lateral meetings have been promoted to design joint training services. In the Pomorskie region (Poland), the lack of qualified staff was addressed by designing specific training programmes, financed within the Development of Human Resources 2004-2006 Operational Programme (Box 4).

Figures available from the case studies illustrate how interventions in coastal tourism may encourage women’s employment.

However, a direct relationship between Structural Fund interventions supporting tourism in coastal regions and women’s employment is impossible to establish, as the role of national and regional guidance in employment is predominant.

**TOURISM CONTRIBUTES TO REDUCE UNEMPLOYMENT, BUT ATTENTION SHOULD BE PAID TO THE QUALITY OF THE WORKING CONDITIONS**
The promotion of alternative forms of tourism and the diversification of tourism products represent the main concerns faced by all the coastal policies and interventions, for many reasons. The diversification of tourism products and services can, in fact, contribute to the competitiveness of coastal destinations, especially when tourists are offered the opportunity to enjoy cultural and natural sites on the coast and in the rural/urban hinterland, and diversified sea attractions (diving, health, thalassotherapy, underwater archaeology, etc.). Furthermore, alternative forms of tourism can help to extend the tourism season, producing multiple benefits, among which are:

- alternative sources of income, creating more growth and employment;
- the reduction of the environmental, economic, social impact and pressure caused by concentrating tourism into a few months of the year;
- the creation of new activities supporting the preservation and development of the area’s heritage.

**Recent trends**

To a certain extent, the seasonality of tourism has been attenuating during recent years due to some external factors. Firstly, climate change is expected to reshape the worldwide tourism industry, to affect tourism destinations, their competitiveness and sustainability, determining a geographic and seasonal redistribution of visitor flows.

Secondly, changes from the demand side are occurring: on the one hand, holiday periods are shorter and more frequent; on the other, there is an increasing demand for a more developed set of services and entertainment, including sea sports as well as cultural or health activities, which are not strictly linked to the main summer months. However, seasonality is an intrinsic characteristic of the tourism sector, which has to be addressed with appropriate policies and interventions.

There are some interesting solutions emerging from the Structural Funds experience. One innovative strategy concerns the promotion of an integrated tourism offer, able to link the coastline with the hinterland and other different localities, in order to establish a tourism ‘flow’ between different but already existing forms of tourism. A good example of this is provided by the Marche Region (Box 1). In some cases, Structural Funds were used to invest in heritage and cultural tourism as a way to:
• differentiate the tourism offer in coastal towns which have historically performed an industrial function (making use of the historic fabrics and linking them to the creative industries);
• re-shape the identity and the distinctiveness of the area, transforming the coastal resorts into heritage seaside towns. In this way, acquiring new ‘brands’ and entering new markets, coastal towns move from traditional seaside resort roles to ‘specialist’ roles. There is a further possibility regarding the promotion of two additional alternative forms of tourism: business tourism (aimed at a customer base of those who attend conferences, conventions, exhibitions and trade fairs) and educational tourism (aimed at scholars and students). With regard to business tourism, nowadays (by contrast with the past) business travellers have higher expectations of services and accommodation, which require specialised responses from a region and the accommodation infrastructure.

The choice of conference or trade show destination is, in fact, subordinated to the specialisation and differentiation of the services offered by the whole territorial area. The business tourism market has progressively involved an increasing number of accommodation providers, for two main reasons: high expenditure propensity, and capacity to ensure a good level of employment, distributed throughout the year. Finally, in the regions characterised by a core tourism business traditionally based on “sea, sand and sun”, efforts can be put into the development of the product into a more sophisticated offer, including a variety of value-added leisure activities, such as sports, health and spas, golf, nautical tourism, tourism for older people, theme parks, meetings, conferences, etc. The Algarve region provides a good example of how national and regional authorities are involved in exploiting Structural Funding opportunities to diversify the traditional tourism offer (Box 6).
Tourism may have a varied impact on sustainable development, since it can contribute positively to socio-economic and cultural achievement, and at the same time can affect the degradation of the environment and the loss of local identity. In general, coastal areas are the first environments to experience the detrimental impacts of tourism due to the growing pressure of economic activity on the coastline. Many of these impacts are linked to the construction of general infrastructure such as roads and airports, and of tourism facilities, including resorts, hotels, restaurants, shops, golf courses and marinas.

On the other hand, tourism can have also the potential for beneficial effects on the environment by contributing to environmental protection and conservation. It is a way to raise awareness of environmental values, and it can serve as a tool to finance protection of natural areas and increase their economic importance. Setting the sustainable development issue as a general cross-cutting priority, the Structural Funds have contributed considerably to raising environmental awareness (Box 7).

**Climate change**

Tourism can be generally considered a highly climate-sensitive economic sector, in a similar way to agriculture, insurance, energy and transport. This assumption is particularly related to bathing tourism, which, since its origin, has been deeply connected to climate conditions. The most urgent effects of global warming have been identified by the Intergovernmental Panel on Climate Change (IPCC), and these are connected to:

- higher maximum temperatures,
- an increasing number of hot days during the year,
- more severe tropical storms with higher wind speed,
- more intense rains, and
- more severe droughts.

**Supporting and preserving natural values: the case of Guadalupe**

Guadalupe is considered one of the world’s most important sites in terms of biodiversity. Tourism is the main resource of the island, which faced different phases of rapid growth in this sector, with consequences for environmental balance. Especially coastal areas have undergone a significant pressure because of the urbanization, the development of leisure activities for tourists and changes in natural landscapes. Even if the sustainable development issue was not at the top of the agenda in 2000-2006 OP, SF stimulated tourism development in a sustainable way by promoting an environmentally friendly approach towards tourism. It was created a team of environmental tourism professionals who attended a training in environmental management in order to deal with the scarcity of land, water and energy in the island. SF supported also other initiatives such as the creation of sea and land reserves and the restoration of well-balanced tourist areas.

Moreover, National Park of Guadalupe was included in the partnership responsible for the programming and implementation phases of 2000-2006 OP. Such initiatives may be considered the first important steps in order to promote a sustainable development of the tourism sector in Guadalupe in the 2007-2013 OP.

Source: Authors
Yorkshire and the Humber

The North York Moors Sustainable Tourism Project (STP): a “mitigation” example

The project was supported by ERDF and was aimed at developing and promoting tourism across the area in a sustainable way that would ensure benefits for the local economy, the environment and local residents. One of the main strands of the project encouraged and enabled visitors to explore the North York Moors national park by using more sustainable methods of transport (foot, bicycle, horseride etc.), minimising usage of cars and the environmental footprint. The project improved and created over 460 km of cycle routes (especially the Moor to Sea cycle route that connects the coastal park to Scarborough, Whitby and Pickering). A factor of success was the setting up of networks dedicated to the STP project: over 40 local businesses signed a Sustainable Tourism Commitment, whose impact and influence extended beyond the end of the project.

“Scarborough Marina”: an “adaptation” example

ERDF grants were used in the development of the Scarborough Marina (including a pontoon marina for yachts and leisure craft) and a sea defence wall. The one-metre-high concrete sea wall was constructed in 2005 to replace the original Victorian-era iron railings along Marine Drive, as part of a two-kilometre scheme designed to: a) protect the resort; b) provide more adequate sea defences in view of rising sea levels and greater storm surges; c) safeguard the historic 100-year-old Marine Drive, which was at risk from heavy seas.

Romania

The project of coastal protection and rehabilitation in Mamaia South and Eforie North

In Romania risk protection also extends to coastal erosion, the main environmental problem of the Romanian coast. In the last 35 years, the average rate of coastal erosion has reached 80 ha/year.

In 2007, in cooperation with the Japanese Agency for International Cooperation, the Romanian Government implemented the project “Protection and Rehabilitation Study of the South Part of the Romanian Black Sea Coast”. The project consisted of the commissioning of feasibility studies for two interventions to be financed by Structural Funds: “Protection and Rehabilitation of the coast in the South area of Mamaia resort” and “Rehabilitation and Protection of the coast in Eforie Nord”. According to the feasibility studies, in the absence of these projects, the south part of the Black Sea coast could lose 82,000 square metres in the South Mamaia area and 10,000 square metres in the North Eforie area. This could seriously affect not only the natural habitat, but also the economic and social development of the Black Sea coastal area. The two interventions are going to contribute to the prevention of coastal erosion and to the rehabilitation of the south part of the Romanian Black Sea coast: in fact, the project is expected to increase the beach area by almost 156,000 square metres during the implementation period.

The World Tourism Organisation proposes a balanced approach based on two principles: mitigation (i.e. actions reducing factors that contribute towards climate change and thus alleviating its effects); adaptation (i.e. taking the necessary steps to cope with the consequences of climate change).

It is quite clear that climate change, due to the global nature of the factors that interrelate and contribute towards it, cannot be prevented or managed by one policy instrument alone or by actions within one Member State alone; rather, it represents a more overall challenge.

It is for this reason that public policies focusing on climate change are better addressed at national level. However, the Structural Funds experience can provide good examples of interventions, both in the old and new Member States, in the light of the most common recommendations put forward worldwide.
Tourism represents the catalyst of actions belonging to different policy frameworks, such as cultural heritage, environmental protection, accessibility, and entrepreneurial development, often with innovative methods.

The integrating characteristic, with particular importance to environmental aspects, also seems to be one of the main characteristics specific to coastal tourism. However, even more important is the further dimension of trans-border integration. In this case, an initial empirical evaluation of the Cooperation Programmes of coastal regions highlights the importance of tourism, almost always defined on the basis of sustainability.

Increasingly tourism interventions require greater integration of policy and practice (policy makers and actors implementing policies). Public and private partnership have become a necessary condition for Community assistance. Especially in Competitiveness and Employment areas, urban areas and disadvantaged areas, tourism represents the catalyst for actions arising from different policy frameworks, such as the enhancement of cultural heritage, environmental protection, accessibility, and entrepreneurial development, often with innovative methods.

A significant change in strategy has taken place for the 2007-2013 period. The new vision of development is characterised by an emphasis on innovation and sustainability. In the new programming period, tourism will be of greater importance in the sphere of regional development. It will become an essential driving force for the economy in cities, mountainous areas, islands and all border regions.

Many Regional Operational Programmes of both Convergence and Competitiveness and Employment areas have ring-fenced funding and priorities for actions in the tourism sector, although with different approaches.

However, especially in Competitiveness and Employment regions, assistance co-financed by Structural Fund resources requires an integrated, innovative and above all sustainable approach aimed at addressing the environmental challenges of the continent (global warming, protecting biodiversity and reducing pollution).

Increasingly tourism interventions require greater integration of policy and practice (policy makers and actors implementing policies). Public and private partnership have become a necessary condition for Community assistance. Especially in Competitiveness and Employment areas, urban areas and disadvantaged areas, tourism represents the catalyst for actions arising from different policy frameworks, such as the enhancement of cultural heritage, environmental protection, accessibility, and entrepreneurial development, often with innovative methods.
Lessons learnt

1. In the context of European Cohesion Policy, Structural Funds, specifically the Regional Operational Programmes co-financed by ERDF, largely supported interventions in coastal tourism: public infrastructure, grant schemes for tourism SMEs, territorial marketing and promotional activities.

2. Some of the main challenges facing the coastal tourism sector are: its seasonal character, an increasing need for sustainable development measures, an increasing demand for diversified leisure activities. Consistently common objectives in coastal interventions for regional development are to lengthen the number of days spent in the region by differentiating the tourism offer, connecting the coast with the hinterland as part of the offer.

3. Structural funding has had varied impacts on coastal tourism. It is possible to evaluate the qualitative effects positively. The main feature is a clear push for institutional and capacity building. Structural Funds stimulated the involvement in partnership, to different degrees, and contributed to the improvement of the quality of programming and project design.

4. The partnership principle has been embodied widely in the old Member States as a natural component of both programming and project design. In the new Member States, the Structural Funding regulations try to encourage building partnerships, but there is still room for improvement.

5. The major contribution of Structural Funds is the shift to a more integrated approach to coastal quality management. The interventions did not focus only on tourism features but took into account different aspects. The most important is environmental protection, especially in relationship to coastal erosion and biodiversity.
An agenda for the future:

- Stimulate a change from place-making to place-shaping. The nature and length of decline suffered by coastal regions, both in Competitiveness and Employment and Convergence Objective areas, means that investment in “bricks and mortar”, i.e. purely physical investment in place-making initiatives, is not what is required. Localities, mainly in the old Member States in the Mediterranean, Atlantic and North Sea regions, have had to rebrand themselves and change the way they were perceived, referred to here as “place-shaping” activity.

According to this, it is extremely important to:
- Invest in a heritage-based approach as a tool for renewing distinctiveness, character and identity in coastal areas and differentiating the tourism offer from ‘coastal resorts’ to ‘heritage seaside towns’.
- Invest in architectural distinctiveness and high quality design to achieve place-shaping and the changing of perception for flagship coastal projects.
- Invest in cultural-themed tourism as a way to differentiate the tourism offer in towns and settlements that have historically performed an industrial function.
• Provide credibility for public-private partnership. Potential in partnership delivery is strongly influenced by the nature of intervention. Attracting private sector funding in tourism projects is extremely important. In order to build public confidence it is necessary to deliver projects which have a high proportion of public investment, high visibility and high profile.

• Catalyse policies through an integrated approach. The projects should embody an integrated approach in terms of financial resources (public-private, local-national-EU), policy sectors (local development, spatial planning, sustainable development, innovation), and actors (public-private partnership). Coastal tourism can be, in coastal areas, the catalysing driver which provides the vision for future local community development.

• Shift perspective from continental to global tourism competition. European tourism areas already face the growing competition of extra European destinations which have a comparative advantage in terms of cost. The dimensions of competition call for a wider integration among Member States in order to build competitive packages that cross national borders. In order to promote and sustain this integration, the new “European Territorial Cooperation” Objective will assume a crucial role, especially in fostering cross-border projects.

• Tighten the link between coastal tourism and environmental protection. Coastal tourism and sustainable development are interconnected. Tourism might represent a threat as much as an opportunity for the environment. EU Structural Funding interventions should positively link these two themes, not only for the Competitiveness and Employment Objective, where there is a specific legal provision, but also for the Convergence Objective.

• Empower human resources. Not only do ERDF and the European Fisheries Fund (EFF) play a role in supporting coastal tourism, but the ESF does also. Acquiring highly skilled workers to deal with the growing complexity and variety of the tourism market is now a crucial challenge for coastal regions. This also has implications for gender issues.

• Integrate coastal tourism Structural Funding interventions within other EU policies, in particular the Maritime Policy and the Integrated Coastal Zone Management strategy.
The present hand-book derives from the study
"The impact of tourism on coastal areas: Regional development aspects" requested by the European Parliament's committee
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