

## *Does local tourism improve the territorial performance in a global context?*

Emanuela Presutti, Salvatore Torrìsi

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Tourism has a significant economic impact as displayed by several studies (WTO, 2006; WTTC, 2007). The tourist sector shows many key features of the modern economy such as globalization, mobility and information-intensity and, as a consequence, it is considered an important target for policy makers across different countries and regions (Ryan, 2009). While the potential advantages associated with the development of the tourist sector have been discussed by a rich stream of the literature, only few studies have considered tourist development as an indicator of international openness and a source of regional economic performance (e.g., Gambardella et al., 2009; Mariani and Torrìsi, 2007; Presutti, 2006). A thorough examination of the links between the tourist sector, international openness and regional growth represents then a relevant and promising field of future research. Previous studies on the European context have investigated the share of hotels in the population of a region and the share of the regional population that speaks a foreign language (Gambardella et al., 2009). An alternative measure of regional openness is given by the number of airplane passengers embarked and disembarked in a region (Mariani, Torrìsi, 2007). All these measures of regional openness have proven to be positively associated with the labour productivity of the region. These studies show that openness is important for labour productivity above and beyond the effect of the traditional sources of regional competitiveness, such as technological capabilities and agglomeration economies. There are several reasons why openness is important for regional growth. For instance, openness attracts (and may be influenced by) multinational firms. Openness can also be associated with the exchange of ideas and the inward or outward mobility of people. These movements of capital, ideas and people in turn make improve the regional absorptive capacity, i.e., the ability to exploit the international knowledge spillovers. This finding is confirmed by further evidence collected through in-depth case-studies. For example, the international openness of the Visitor Cluster in San Diego over time has positively impacted on the productivity of this territory, as confirmed by data concerning the growth of both local GDP and labor productivity during the last 10 years (US Census of San Diego, 2005; Presutti, 2006).

These findings are potentially important for a country like Italy, where the international flows of tourists are significant for several regions. However, we should notice that the tourism sector accounts for a quite limited share of the local economy in many European regions. Moreover, the most touristic regions on average are also less productive than the average European region (Gambardella et al., 2009). This evidence suggests that there is room for a substantial increase in the productivity of the tourism sector in highly touristic regions.

A deeper analysis of specific tourism clusters reveals that there are differences across regions in the association between the growth of tourism activities and the

regional productivity. For instance, the Visitor Cluster in San Diego is the most important international cluster of San Diego territory where different services clusters are located. Over 70% of the Visitor Cluster turnover on average is accounted for by foreign visitors and over 60% of the Visitor Cluster procurement is realized with players located outside the cluster. Moreover, San Diego represents the largest destination of the incoming international air traffic in California. The key element in attracting foreign tourists is represented by the international openness of the local network based on formal and informal relationships between actors belonging to five interrelated sub-clusters (sports and events; amusements and attractions; travel; restaurant and bars; hotels and lodging). While the international openness of this cluster depends on the presence in San Diego of intangible natural elements (such as quality of life, proximity to ocean, and climate) which make this place the "America's Finest City", there are also other tangible factors, such as the quality of local infrastructures and transportation, which explain the international attractiveness of the local cluster network (Presutti, 2006). All measures of local performance concerning this Cluster show higher values than tourist sector on average – in particular average sales per room, average expenditure per customer and rate of room occupancy (US Department of Commerce of San Diego, 2004). The best practices developed in the Visitor Cluster in San Diego have encouraged over time local institutions to develop a lot of other local business- such as biotechnology and computer industry - in the form of industrial clusters. This more and more frequent trend by local economy to concentrate in restricted area inside the metropolitan territory of San Diego is considered today the key factor in explaining the economic development of San Diego County (California Employment Development Department, 2005). In particular, the productivity rates of San Diego economy during the last 10 years are the highest in all California (3,6% over the regional average).

These considerations suggest that the touristic attractiveness can be important for regional development for two reasons. First, the touristic or natural attractiveness of a region can set in motion a process of agglomeration of economic activities not directly related to the tourism sector – such as the organization of events. Second, tourism attractiveness can stimulate the growth of a modern tourism sector which in turn can contribute to the overall growth of the region.

From a policy perspective, actions aimed at making a local context less "provincial" by leveraging the local touristic resources can be very important for the regional growth (Gambardella et al. 2009). In particular, we recognize that in this scenario public policy should provide incentives aiming to improve the efficiency and quality of the tourism sector, for instance by stimulating investments in new technologies, human capital and coordination/integration among firms (Porter, 2001). Moreover, while in Italy there are significant growth opportunities for the tourism sector that remain largely unexploited, local institutions appear to operate within "vertical local silos" rather than to embrace "horizontal global issues." (Porter, 1998). Thus, we encourage both local institutions and business actors to break out of their "vertical local silos" and embrace cross-cluster initiatives such as investment in

human capital and innovation in this sector to foster the growth of new clusters with an international propensity from the beginning.

#### References

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