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Tourism as Possible Opportunity to Address the Crisis in Italy

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ABSTRACT

Tourism today represents one of the world's leading export commodity, accounting for global earnings of more than 200 billion Euro, about 25 per cent of total world GNP (Poirier 2000, p30, cited in Dieke, 2000). In the last 20 years, tourism has made a very important contribution to the global economy, being the fastest growing sector in terms of external revenue and new jobs. The economic and financial crisis that has affected the world economy in 2008, has led to decreasing the flow of tourists, but the tourism sector seems to be save by the new tourist that arrives from the emerging countries. In this context Italy face with a decrease in the number of tourists and a soft negative trend. The huge cultural heritage that characterize Italy and its beauty, should represent an important incentive of both, policy makers and private sector, for the relaunch of this important sector.

Keywords: Globalization, Crisis, Tourism, Growth

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Introduction

The increasing participation of foreign investors (traditional and from emerging economies), as well as of foreign banks, fuelled the growth of the asset-backed securities markets in the United States that were the origin in the market panic in 2007-2008. As documented by Acharya and Schnabl (2009) and Bernanke et al (2011), European banks were major purchasers of asset-backed securities. Many of these banks also obtained funding in the US money markets (Shin, 2011). In this context, the role of European banks in enabling the expansion of the US ABS markets did not jump out of the balance of payments data. On the other hand, financial globalisation permitted quick growth in the balance sheets of many financial entities. The phenomenon took place at two levels: one related to globally involved active banks; the size and complexity of these banks grew rapidly, making it difficult for both, national and international regulators to adequately police risk profiles. In addition, the increasing role of emerging economies in the world financial system may also have contributed to the build up of weaknesses in credit markets (lane 2012). The financial globalisation magnified the impact of distortions, such as inadequate regulation of credit markets and banks, by allowing the climbing of financial activities that might have faced capacity limits in the autarkic financial systems that characterized the actual global financial market (Borio and Disyatat, 2011).
In the global context of actual economic crisis, the tourism sector does not remained unheard. The decline of touristic sector could be allocate and analyzed in a three ways dimensions. The first one is referred to the public choices; the heavy country situation that characterized European countries and especially Italy, influenced on review of public expenditure that could represent some kind of fuel for tourism development as infrastructures, taxation, etc. The second analysis could be on the field of private enterprises (small and medium); on this context the credit crunch still play an important factor in the lack of investment. The last macro special measure that is affected by the global crisis is represented by the consumers. The continuous decreasing purchasing power not only of Italians, but also of other nationalities contributed to the negativity of the tourists trend. This paper proposes listing the main effects of economic and financial crisis on tourism and an analysis of key trends in tourism development and mutations occurring in consumer buying behaviour of such services, with a particular attention on Italian context.

1. The phenomenon of globalization

Since the 80s we are faced with a rising phase of the process of globalization, based on the evolution of the American model of capitalism (Reich, 2008) and the progress of the economic power of China and other emerging countries. Technological innovation is imposed at global level through information revolution and multinationals that becomes more competitive and innovative; the U.S. initiates policies of deregulation of financial markets, developing pension and mutual funds that put pressure on companies to increase the rate of equity capital return (Targetti, 2009). In United

States takes place a process of liberalization of the strict U.S. financial system based on a clear separation of tasks between banks and financial institutions and at the same time, where cut down the tariff barriers not only between developed countries among them, but also between developed and developing countries, especially emerging states. At this point, the trade is gaining more weight and overall global prices of manufactured goods are stabilized, while the rules on capital movements are dwindling, has thus created a favorable environment for the entry of firms and financial market overall, creating an opportunity for consumers and investors to expand their range. At the end of the 80s, countries of the socialist bloc collapsed, the new Russia became one of the largest exporters of energy resources and are witnessing a process of growing importance and role on a global scale of the new emerging countries (China, Brazil, the "Asian Tigers", India, etc.). The production of manufactured goods undergoes a historical change and moves into the new emerging countries; this increase in manufacturing output transforms the countries from exporting raw materials importers of raw materials (China and India in the foreground). For example, from 1980 to 2002, the share of exports of manufactured goods on the global trade of developing countries increased from 20% to 70%, the industrialized countries suffer a decline in manufacturing output and an increase in the services sector. If we look at average annual rates of growth in real terms (in the period 1980-1996), we can see the scale of the phenomenon. Quadrio Curzio (1999) identifies four groups of globalization variables: the first group refers to financial size of the complex operations of bonds and stocks around the world, which has 15% annual growth; this type of operations are enriched with currencies operations, with an annual growth of about 24% and the operations of bank loans, increased by about 10% per year. A second group identified by the same author, refers to foreign direct investment grew by about 8% annually; the third is represented by international trade (goods and services) increased by about 5% annually, while the fourth and the final size identified is represented by the world GDP (considered as the sum of GDP of each national economy), which grew by 2.5% per annum. The author emphasizes the gap between these rates of growth and the dynamics of internationalization: foreign direct investment and international trade grew at rates double and triple than the GDP (with reference to the last three variables identified). We are witnessing more and more phenomena of off-shoring, outsourcing, fragmentation of production, but also to the phenomena of globalization of capital markets. International trade, therefore, undergoes a radical transformation and no longer refers only to the exchange of goods on a global scale, but also includes the interchange of services and in parallel an exponential growth of financial markets. Globally, more and more countries fall barriers on foreign direct investment and portfolio investment, this situation favors the movement of capital and gives them greater mobility, thanks to technological advances and the revolution in communications systems and the computer. Regarding the information, its ability to spread everywhere, is the ability to create "a society that needs to have an individual capable, as opposed to a 'gear' alienated typical of the industrial revolution" (Bensasson, 1997, p. 42)[1]. The first application of the globalization phenomenon can be placed within the international currency markets,

bonds and shares, savings and financial instruments operated by intermediaries for the purpose of funding agencies, states and businesses. The problem developed as a result of these international operations is the "speculation", whose purpose is not to finance the real economy but to make profit on transactions (Targetti, 2009, p. 12). Quadrio Curzio (1999) already stressed on his article the aspect of capital markets integration (under a qualitative aspect) as a result of certain factors of innovation: i) the liberalization of capital movements and exchange rate which were controlled in many industrialized countries and the deregulation of national capital markets, ii) innovation in financial instruments has increased the forms of capital usage; iii) the growth of institutional traders, such as mutual funds and pension funds, has increased the volume of funds and investment markets managed abroad. The above integration is possible through a continuous process of innovative financial instruments and information technology, which led to a reduction of transaction costs "with respect to the cost of hedging risk through derivative contracts and options, however, have the dual nature of insurance and speculative products "(Quadrio Curzio, 1999, p. 46).
To these considerations it is useful to add some suggestions offered by Targetti (2009, p. 4) concerning the entry of new players on the global financial scene, which through their activities hold a growing share of international capital ("the private equity fund, the hedge funds and sovereign wealth funds or sovereign wealth funds "). The author identifies some positive and others negative remarks about the globalization process, also some positive aspects of economic growth in some areas of the world (still in terms of growth over a long period) and an extension of the general welfare of savers and consumers (in most developed economies). The result of these processes is represented by the entry of about three billion people in the circuit of production and distribution of wealth; it emphasizes the increasing role of emerging and more integrated economies in terms of commercial and financial activities in the world economy. Among the negative aspects are mentioned the same problems faced by some developed economies: the differences between the income distribution, the increase of global environmental degradation and increasing the "real economy and financial instability".
The main feature of the actual globalization resides in the process of liberalization of capital movements in the short term and in the enormous importance of the flows of portfolio investment (the daily value of Financial trade has come to exceed sixty times the annual value of the world trade). The widening of the investment market portfolio has enabled international actors to face with many choices, in terms of instruments (bonds, derivatives, etc.) and operators (hedge funds, private equity funds, etc.) and has allowed the transfer of savings to some emerging countries. Those actions was one of the principal harbinger of the crisis.

2. Few aspects of economic crisis

At this point we face the new and final worst crisis since the Great Depression (Antonelli, 2011). The author identifies two waves of the crisis: a first wave began in mid 2007, with the financial crisis, and a second wave propagated from 2009, which has severely affected the real economy. Also in that paper the author emphasizes the lack of attention to the teachings of past crises, "how little we have learned from the long list of serious banking, currency and sovereign debt crises experienced by many systemic countries and regions in the last 30 years" (Antonelli, 2011, p. 4). The solutions to the crisis were initiated in 2008 through the actions promoted by central banks (U.S. Federal Reserve, European Central Bank, Bank of England, People's Bank of China, etc.). Antonelli (2011. p. 5) proposes in his work to save some data on the economies, data compiled by "Bankscope; national central banks, and IMF staff Estimates", IMF. 2010, p. 44 (see table 1). [2]

Table 1: Bank wholesale financing and public funding support (in billions of US dollars)

	Wholesale Funding in 2008:Q2	**Central Bank Liquidity (Crisis Balance Sheet Growth)**	**Government Asset Purchases Commitment**	**Government Guarantee Commitment**
United States				
Money market	1,908	980	1,850	1,830
Longer term	2,908			
Euro Area				
Money market	12,015	820	225	1,400
Longer term	8,877			
United Kingdom				
Money market	3,869	150	450	1,250
Longer term	1,349			
Total	**30,926**	**1,950**	**2,525**	**4,480**

Source: Antonelli, 2011, p.5;

The same author presents an overview of actions undertaken by various governments: both Western and East Asian ones. Also interesting is the analysis in the cited work, regarding the concept of failure in general and in particular the concept of "systemic failure". Moreover, the current crisis determines the effects of structural change (given the origin of the financial crisis itself). Several authors (Antonelli and De Liso, 2001; and

Holanders Kanerva, 2009) point out that the negative effects have less influence on companies which have adopted strategies of technological innovation: "in particular, it was observed that the firms that concentrate their investments in innovative activity and in R&D were able to mitigate its negative effects, while firms that have focused on different strategies for innovation, or that does not have innovated, have revealed greater difficulties. The crisis, therefore, has contributed to the activation of selective dynamics to favor domestic firms engaged in R&D and marginalize, or even expelled from the market, companies have not sufficiently invested in innovation” (Antonelli and De Liso, 2011, p. 40). The same authors emphasize that the institutional structure of an economic system leads to changes the corporate behavior (with regard to the nature and intensity of innovative activities). Connecting different works to the current crisis, come out the question regarding the policy strategies and the redefinition of global scenarios. In this sense the crisis is seen as a tool to accelerate the processes of structural change in favor of new industries or services with high knowledge content (Antonelli and de Liso, 2011). These approaches were not only accepted by the scientific community but also by the European Commission with regard to a new Europe in 2020. José Manuel Barroso, President of the European Commission, in its statement in Brussels on 3 March 2010 pointed out, in the middle of crisis, that Europe should come out from the economic and financial crisis stronger. Regarding two previous years, Barroso pointed out that the crisis has left millions of unemployed and the same crisis has caused a debt that will last for many years. The President considers some objectives of Europe 2020 as a way out of crisis and opportunity of creating a sustainable future; also stresses that there has been some progress in negotiations with the "Bad bank" and a few steps forward for the regulation of financial markets, under a stronger policy coordination in Europe. Barroso also recalls some strengths that Europe has, as a capable workforce, a strong technological foundation and industry, the unique market and the single currency.

Among the proposed targets for the 2020 is useful to recall few: employment, research and innovation, climate change and energy, education and poverty reduction that could be listed as follows:

- i) 75% of people between 20 and 64 years old must be occupied;
- ii) 3% of EU GDP must be invested in R&D;
- iii) the "20/20/20" on climate/energy objectives must be met (including an increase of 30% of emissions reduction, if conditions permit);
- iv) the rate of early school leavers should be under 10% and at least 40% of young people must be a graduate;
- v) less than 20 million people should be at risk of poverty.

These objectives are interrelated and fundamental to the success and to ensure that each Member State's strategy suit its specific situation. The Commission proposes that EU goals are translated into national targets and trajectories. These targets are representative of three priorities (smart growth, sustainable and inclusive), but their scope is wider: to facilitate the realization necessitates a whole series of actions at national, European and global levels.

3. Policies to overcome the crisis and the role of tourism

Interesting are the words of Taleb Rifai, Secretary General of the World Tourism Organization (UNWTO): “Despite current volatility, international tourism is proving to be an important economic driver for many European economies, bringing much needed foreign exchange and helping to ease the pressure on their balance of payments; UNWTO encourages European governments to support tourism and consider the sector as one that can back economic recovery given its capacity to distribute wealth and create jobs across the region” (press release, 8 November 2011).
Doing a comprehensive analysis of the tourism sector, it is possible to emphasize the significant increase in international arrivals (World Tourism Organization last report): international tourist arrivals grew by over 4% in 2011 to 980 million, according to the latest UNWTO World Tourism Barometer. With growth expected to continue in 2012, at a somewhat slower rate, international tourist arrivals are on track to reach the milestone one billion mark later this year, that seemed unthinkable ten years ago. International tourist arrivals grew by 4.4% in 2011 to a total 980 million, up from 939 million in 2010, in a year characterized by a stalled global economic recovery, major political changes in the Middle East and North Africa and natural disasters in Japan. By region, Europe (+6%) was the best performer, while by subregion South-America (+10%) topped the ranking. Contrary to previous years, growth was higher in advanced economies (+5.0%) than in emerging ones (+3.8%), due largely to the strong results in Europe, and the setbacks in the Middle East and North Africa.
An interesting point is the fact that, contrary to the trend of recent years, the increase in tourists arrivals in the first 8 months of 2011 was higher in advanced economies (4.9% more) than in emerging economies (plus 4, 4%), thanks to the excellent results of the old continent (more than 6%). A significant increase was recorded in Northern, Central and Eastern Europe (plus 8%). Also interesting is the contrast with the uncertain economic growth in some countries in the sense that tourist arrivals have increased significantly: plus 14% in Greece, Ireland, plus 13%, Portugal and Spain plus 11% respectively 8%. Although the year 2011 was a difficult one, during which the global crisis has become more deep, and overall it was a negative downturn in tourism sector., In the first half of 2011 there has been a stability in tourism sector from, which confirmed the sales compared to 2010, with a slight decline in February (-1.4%) and May (-0.9%), while there was a positive trend in the summer months. It was also a stability in the months of October, while at end of the year there was a slight decrease of -4.9% in November (provisional data) and -5.6% in December. It is important to underline the fact that the share of tourists who book using the Internet: 50.6% in the fourth quarter of 2011 against 34.6% during the same period of 2010. The year 2011 closed by registering a stable share of the foreign market (29.9%) compared to 2010 (29.5%), while international flows affect to a greater extent in the North East companies which represent 35% of customers, while weighing less on those of South

and Islands (25.5%). Germany remains the largest market of the period, followed at a distance from France and the United Kingdom (World Tourism Organization, annual report 2012)

Demunter and Dimitrakopoulou (2012) also show us that crisis has significant impact on business trips, but not on holiday trips. The number of tourism trips has dropped slightly since 2008, hovering around 1.2 billion trips per year. Though the number of holiday trips stayed just above 1 billion, the number of trips for work-related reasons dropped from 166 million in 2008 to 145 million in 2011 (-12.7%). The biggest impact for holiday trips was observed in 2009, with a significant drop in the number of nights spent away. EU residents made about the same number of trips, but they were shorter than before. For business trips, both the number of trips as well as their length fell steadily. Europeans made fewer work related trips than before the start of the crisis and the trips they did make were shorter. More than three out of four trips were domestic, but long outbound trips accounted for half of all tourist expenditure. In 2011, most trips Europeans made were to a destination within the Member State where they live (76%), with fewer than one in four trips abroad. Big differences were observed across the EU. Some residents spent less than half of their holidays in their own country. For example it was the case for Belgium (26%), Luxembourg (less than 1 %), the Netherlands (48%) and Slovenia (44 %). Others stayed 'at home' for more than nine out of 10 holiday trips in 2011. That was the case for residents of Spain (92%), Portugal (91%) and Romania (93 %). Even if domestic trips still accounted for most holiday trips, outbound trips grew relatively faster in 2011. This recent growth partly made up for the partial substitution of outbound trips with domestic trips over the recent years. There was a significant rise in the number of long outbound trips of at least four overnight stays (+1.7 %), while short trips abroad decreased by -0.7%. For domestic trips, there was a sharper increase in long trips (+0.5 %) than for short trips of one to three nights (0.2 %). In the EU, short domestic trips accounted for half of all holiday trips in 2011. Long domestic trips took 26% of the market share, while long and short outbound trips represented 18% and 5 % respectively. In eight EU Member States did the number of long trips exceed the number of short trips. In the Netherlands, Belgium and Luxembourg, more than 60 % of all trips were long. EU residents' spending on holidays grew by 0.7% in 2011. Nearly half of that rise came from higher spending on long domestic trips (while spending on short domestic trips shrank). The two segments with the poorest evolution in terms of nights spent, namely long domestic trips (-1.2%) and short outbound trips (+0.1%), recorded the fastest growth in expenditure (+1.3% and +3.1% respectively, resulting in growth of average expenditure by 3.7% and +4.0% respectively). On average, Europeans spent € 64 per holiday night, € 50 during domestic trips and € 82 during outbound trips.

Regarding the expenditure made by travelers abroad it is possible to note a significant increase in expenditures made by travelers from developing countries: China (+30%), Russia (+21%), Brazil (+44%) and India (+ 33%). Significant increases occurred also will weigh from travelers coming from Scandinavia, Korea and Australia. The forecast for 2012 remains positive, the Secretary General of UNWTO, Rifai underlines that "a stalled economic recovery and increased financial and fiscal challenges have brought

growing uncertainty to the tourism market. Nevertheless, the trends of recent months make us confident that though at a slower pace, international tourism will continue to grow in 2012, creating much needed exports and jobs in many economies around the world”.
The World Tourism Organization shows how the dynamics of development increasingly evident in the tourism sector, with almost one billion travelers and forecasts are positive and show a further increase; at the same time represent expectations for market growth, including the European tourist market. Italy, ranked fifth in the world ranking for number of arrivals from international tourism, should be able to adopt strategies that allow to face a higher demand. The National Tourism Barometer identifies three pillars for a tourism policy that looks to the future. First identified pillar is the strengthening the network of services and infrastructure in order to face the needs, in particular to offer to the tourists the possibility to make shortcuts routes and better locations. A second pillar is the quality of personnel in tourism sector, staff in order to provide a better quality-price ratio. Finally, the third is the realization of an investment project to improve services from the point of view of the huge tourism potential of the South.

4. Tourism dynamics in Italy

On this theme is useful to recall the intervention of former Governor of the Bank of Italy, Mario Draghi, who in early 2011 stated that the main goal of all nations is the growth: socially equitable and sustainable one ("respectful of the quality of life"). Regarding the entire European Union area, Draghi emphasized that "the monetary union will be able to overcome the crisis of member countries sovereign debts if those countries will find the ways to ensure fiscal discipline, will start structural reforms needed to drive growth in a sustainable manner and define forms of peer review on the status of implementation " (2011, p. 13). Some criticisms of Italy were also stressed by Draghi, in the sense that "the growth in Italy is struggling for fifteen years. The underlying causes of action and lines of reform we have discussed several times in different locations, on the basis of the analysis that we conducted in recent years. Here I mention few: to benefit the growth of the whole economy should be a regulatory framework inspired to an efficient system. If the legislation is not transparent, high quality, stable, if administrative burdens are not proportionate to the activities that are to regulate, the economy in the long run declines. Despite the progress, Italy it’s still reports in all the charts for the burden of bureaucracy, especially those leaning against the companies." On this context, the Italian authorities, by Law 22 December 2011, n. 214, on urgent measures for growth, equity and consolidation of public finances, has introduced a far-reaching law (divided into four titles: Title I: development and equity, Title II: strengthening the national and international financial system; Title III: fiscal consolidation; Title IV provisions for competition promotion and protection) that constitutes a new basis for development and growth for the tourism industry.
Tourism in Italy is one of the most important national accounts and produces more than 10% of GDP. The balance of payments (Bank of Italy, 2011) in November 2011 also

presented a positive balance of 335 million euro, whereas in the same month of the precedent year the balance was 278 million euro, stressing the revenue increase in this sector. The expenditures made by foreign travelers in Italy is in amount of 1,709 million euro (+ 2.8%). Considering the available data, in the first eleven months of 2011 we are faced with a surplus of 10.015 million euro, compared with a surplus of 8.625 million euro in 2010.
In the world ranking, Italy confirms the fifth position, as in the last decade; this position demonstrates the strong competitiveness of the Italian tourism industry on the international scene. One explanation for the positive trend of the last period could be represented by the revolutions that have taken place in North African and Middle Eastern countries, and political instability in these areas has resulted in a diversion of tourist traffic to other Mediterranean countries: Spain, France and Italy (see Table 2).

Table 2 – The first 5 countries international tourists arrivals ranking (million)

		2009	2010	Var. % 2010/2009	Var.% January - August 2011/2010	Quota % of total arrivals in 2010
1.	France	76,8	76,8	0,0%	+1,6%	8,2%
2.	United States	55,0	59,8	+8,8%	+4,8%	6,4%
3.	China	50,9	55,7	+9,4%	+1,0%	5,9%
4.	Spain	52,2	52,2	+1,0%	+8,0%	5,6%
5.	**Italy**	**43,2**	**43,6**	**+0,9%**	**+6,0%**	**4,6%**

Source: Italian Tourism Barometer

According to the latest sample surveys on international tourism in Italy (Bank of Italy, 2013, the tourism balance of payments has recorded for the month of November, a net positive balance of 335 million euro compared with the result of 278 million euro achieved in the same month last year (+20.5%). The expenditure of foreign travelers in Italy, amounting to 1,709 million euro, increased by 2.8% over the same period of last year, while the Italians expenditure abroad, after the slight increase recorded in the previous month, is back to record a slight decrease stopping at an altitude of 1.374 million euro, down 0.7% compared to November 2010. We face also with an exceeds of 10 billion surplus in the tourism balance of payments for the entire period from January to November 2011, surpassing by 16.1% the previous year, thanks to an increase of 6.1% of spending by foreigners in Italy (29.499 million euro). Grows, at a slower incurred, the expense of the Italians abroad, amounted to 19 million 400 thousand euro, 1.6% more than the same period in 2010. regarding foreign customers, an increase in spending corresponds an increase in the number of travelers,

(72,172,000, +3.5% over the same period of last year – numbers of nights: 315,468,000, +6.1% compared to 297,387,000 in 2010). For the entire period considered, foreigners who have indicated as the reason of the their travel in Italy the holiday, have spent nearly 18 billion euro, up from 16 million 171 thousand euro year before. The amount devoted to business travel remained stable over the same period of 2010 (5.999 million euro in 2011). Are confirmed Germany, United States and France as the main market sources of demand for foreign tourist spending, an increase compared to the 2010 data. Continues to decline, in line with findings in the period from January to October 2011, foreign expenditure from Spain and Austria, while growing, among others, the British, Swiss and Dutch; a positive trend from the BRIC's countries.
An important increasingly role in the tourism sector is represented by the Internet: a total of 7 out of 10 businesses are online, with a percentage of 79.1 of the firms in the North East, youth hostels are the most significant, followed by hotels and from extra hotels accommodations (see Table 3 and Table 4).

Table 3 – On line accommodation structures by area (%) IV trimester, 2011

	Yes	**No**	**Total**
North-west	68,2	31,8	100,00
North-east	79,1	20,9	100,00
Centre	69,6	30,4	100,00
South and Islands	69,4	30,6	100,00
Italy	**72,3**	**27,7**	**100,00**

Source: Italian Tourism Barometer, Unioncamere data

Table 4 – On line accommodation structures online (%) IV trimester 2011

	Yes	**No**	**Total**
Hotels	80,9	19,1	100,00
Extra hotels	65,8	34,2	100,00
Italy	**72,3**	**27,7**	**100,00**

Source: Italian Tourism Barometer, Unioncamere data

Another interesting and useful data to consider is the presence of accommodation structures on social network: 33.3% versus 19.8% in 2010. Although the data show us that not all the firms are involved, the share of tourists who book online reaches 50.6% in the fourth quarter of 2011 against 34.6% during the same period in 2010. Then the online reservations below half of its customers and accommodation structures in the Centre and North East and the percentages are 53.7%, respectively 53% (see Table 5 and Table 6).

Table 5 – On line reservations (%)

IV trimester 2010	34,6
IV trimester 2011	50,6

Source: Italian Tourism Barometer, Unioncamere data

Table 6 – On line reservations by area (%), IV trimester 2011

	By own web site	**By professional web sites**	**By e-mail**	**Total of tourist**
North-west	8,9	10,3	27,1	**46,3**
North-east	12,0	7,6	33,4	**53,0**
Centre	13,4	15,6	24,7	**53,7**
South and Islands	14,7	9,9	22,2	**46,9**
Italy	**12,5**	**10,6**	**27,5**	**50,6**

Source: Italian Tourism Barometer, Unioncamere data

Conclusions

Regarding development policies on this sector, an interesting work called, “Nordic Innovation Systems in Tourism”, has been done by "Advance, Icelandic Tourism Research Centre, Swedish School of Economics and Business Administration, European Tourism Research Institute, Norwegian School of Management" in 2008. This paper summarizes the conclusions and recommendations in his very interesting ideas regarding the policies to be implemented in the tourism sector and highlights the importance of innovation in companies active in this field. The authors emphasize the fact that firms operating in the tourism sector usually have limited access to innovative resources, and innovation in companies active in the tourism sector is also not a priority, in general, for policy makers. Hjalager et.al, (2008) provide some recommendations and some policy recommendation: they emphasize the importance of developing new methods of acquiring knowledge, developing a reward system for SME’s, volunteers organizations and governmental structures active in tourism sector innovation system, eliminating seasonality, moving to the advanced technical and scientific knowledge, promote the export of concepts, events, etc. and last but not least, the realization of funding funds available for tourism, including EU funds, research and development support and venture capital.

During the crisis Europe and Middle East get hit harder than the global average, in terms of international arrivals. In Italy, as well as in other European countries, tourism has taken a bad battering from the global recession. The impact on international tourism has been softer than the slump experienced by foreign trade and international industrial production. The characteristics of tourism sector (no de-stocking process, tourism services are perishable goods, etc.) should represent for policy makers a priority. Especially in Italy, the policy makers should be more receptive with regard to this important part of the Italian economy, also because tourism will recover slower than other economic activities. The reason of the slow recovery process are among others the high unemployment rates, tight consumer, budgets will be first spent on necessary consumer goods; higher taxes and reduced public spending will limit consumer expenditures. A consideration regarding the medium term development shows that the negative economic and social consequences of the crisis will accompany us for a long time, and policy makers should work harder in order to reduce unemployment rates, fix the financial system, etc. The structural changes as a "new" consumer with more limited financial and economic means might emerge from the crisis.

The crisis determine a significant change and new trend of habits, new guidelines and tastes in tourist choice. Certainly this crisis influenced the formation of new consumption models and styles. All this has also relief and effect on different segments and places of economic production: on the field of agriculture, in manufacturing industry, electronics, transportation, distribution, on communications policy, and then on the tourism industry. This corresponds to a change if economic behavior of tourism industry: seasonal, thematic or otherwise co-specialized, in favor of tourism Last Minute. Seeing at international level a considerable reduction of secure places, the spread of international conflicts for the control of large reservoirs of energy resources , and in dramatic prospective the water resources, combined with the boost social and religious life of the great masses regional they are the strongest constraints on the stability of the tourist flows so-called.

In this context Italy has a lot of space to develop new forms of tourism (eco-tourism, business tourism, etc.) added to new subjects with greater ability to adapt, particularly the young, or by new players with new cultural and geographical origin.

An increase attention should be done to the potential of South of Italy as well as the multiplicity of actors involved and the complexity of motivations, and interrelationships that trigger new behaviors, in terms of communication, costumes, and more adaptive and creative forms of hospitality.

The implementation of this policy may have a positive impact on the tourism sector, as stressed by the former Governor of the Bank of Italy (speech of 26 February 2011), main objective of the policy is growth "socially fair and respectful of life quality". In this time of recession and sovereign debt crisis, Draghi mentioned that, alongside policies, in order to ensure fiscal discipline, an important role is played by monetary union, which will have to "agree on the necessary structural reforms to drive growth in permanently and define forms of peer review on the status of implementation. " He also remember some lines of action that should characterize national policies; among them, on the benefit of economic growth, a good policy should be a regulatory asset "inspired to the efficiency of system" and pointed out that on long-term period economy declines if the administrative burden is proportionate to the assets (including the problem of the heavy bureaucracy). The critical issues remain in the education and research system, although Italian companies have a taste for innovation and international projection, these elements are insufficient to drag growth as too many companies (also successful) remain small size enterprises. Draghi concludes with pointing out that Italy is a country of great resources and great entrepreneurial skills, but the spirit of entrepreneurs should be freed from many constraints and that today, "more than in the past, the strategic choices that are in front of us, Italians and Europeans, are the same. Know how to turn into a shared action by the majority of citizens it is and it will be an European duty."

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1 From 1950 to 1990 the cost of 3 minutes phone call from New York to London fell from 53.20 US $ to 3.32 US $, and in 1996 to 1 $; the implicit price of computers fell by 125,000 (in 1960) to 1,000 of 1990 (Framework Curzio, 1999), while the average revenue for the transport by air of a passenger-miles has fallen from $ 0.30 in 1950 to $ 0.11 in 1990 (International Monetary Fund, 1997).

2 Guarantees only includes those with announced limits (not open-ended guarantees) and U.K. and U.S. guarantees of Bank of America, Citigroup, Lloyds, and RBS.

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