

**GROWTH THROUGH TOURISM IN DEVELOPED EUROPEAN COUNTRIES. CASE STUDY:
FRANCE, ITALY AND SPAIN**

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Abstract

The paper is an analysis based on statistical indicators for three European economies with highly developed tourism sectors. France, Italy and Spain are models of growth and development through tourism, which is possible due to their cultural, historical and artistic richness. Although they are famous international brands, these three countries continue to sustain the tourism sector, to adapt themselves to their clients' needs and to offer diversified high quality products.

Keywords: *growth, tourism, developed countries, sustainability, development.*

JEL Classification: *F43, F63, J20, L83, O18, O29, O52, P25, P28, R11, Z32*

I. INTRODUCTION

Our purpose in this paper is to make a comparative analysis of three European states whose economic growth mainly depend on the tourist sector. The three countries, tourist brands themselves, are France, Italy and Spain. They have cultural-historical, geographical, landscape advantages that they transformed into famous sights that the tourists coming for everywhere in the world wish to see. The high fluxes of visitors throughout the year lead to congestion in peak seasons, overcrowded accommodation units, and hours of wait in order to visit tourist sights.

We did not choose the three countries by accident. They are an example of growth through tourism, especially for the emergent states, who are trying more or less successfully to borrow their types of development. The tourist sector of France, Italy and Spain is neatly superior to that of the emergent countries, but they have the possibility to take over some of the good practices in the field, so that they could find their own niches of tourist development.

The analysis of the three European tourist countries is not arbitrary. Europe received in 2014 41% of the incomes resulted from tourist activities at the global level and 51% of the fluxes of tourists [UNWTO, 2015].

Tourist sector of France, Italy and Spain

The developed states are tourist destinations very well seen by persons who make of tourism a life style, and not only by them. The part of population from the emergent countries who can afford travelling abroad usually choose famous destinations; given the low possibilities to repeat the tourist experiences, they mainly opt for renown places, concentrating culture, history, art, landscapes and other attractiveness factors. France, Spain and Italy are among those destinations that each tourist wishes to see at least once in a lifetime, while the countries aiming at transforming tourism into a factor of economic growth take them as landmarks.

II. FRANCE

Compared to the number of foreign tourists visiting the country, France occupies the first place in the world, being the destination that all travelling fans target, at least once in their life. The number of foreigners who visited France in 2014 was 83.8 million, 0.2 million more compared to 2013.

France is a European brand. Tourism represents 2.5% of the total added value. As a ratio of the GDP, tourism holds 7% (USD 255 billion). The direct impact is bigger than the one of chemical industry, bank sector, agriculture, car industry, mining sector, while the induced and indirect effect equals that of chemical industry¹. The total impact, direct, indirect and induced, was 9.8%, three times bigger than that of car industry (2.9%).

¹ Direct contribution is correlated to the products offered by the tourist sector (accommodation, transport, relaxation services, tourist sights, restaurant and catering services, trade, cultural, sports and entertainment services); indirect contribution is correlated to the investments in tourism, governmental expenses meant for tourist activities, acquisitions from providers; induced contribution is correlated to the food sector, the relaxation and entertainment services, textile industry, services of building, parks, streets, etc. maintenance.

Tourism created 2.7 million work places by direct, indirect and induced contribution. Directly and indirectly, tourism supports 9.9% of the total number of workplaces. For each workplace directly supported by tourist activity, 1.5 other workplaces are indirectly supported, more than the education system manages to support.

If we take into consideration the incomes resulted from tourism, France comes third, after USA and Spain. In 2014, France obtained incomes from tourism of USD 60.6 billion, the equivalent of 39% of the exports of services and 7.5% of the total amount of exportations. In the period 2000-2014, the incomes resulting from tourism recorded a 76% rise, while incomes from exports increased by 109%.

In France, each USD 1 million spent in the tourist sector contributed to GDP with USD 1.3 million, similarly to agriculture and the mining sector.

The incomes coming from tourism do not remain all on the internal market. About 12% of them go out through imports. To make a comparison, in the case of the car industry, the percentage is 35%.

On the labour market, each USD 1 million spent in the tourist sector supports 15 work places, 6 of them in direct ways, 6 of them indirectly and 3 of them in induced ways [WTTC, 2015].

In the case of France, the component of the balance of payment specific to the tourist activity records a considerable surplus, even if a decreasing one (2014 – EURO 10.6 million, 2013 – EURO 10.2 million, 2012 – EURO 10.6 million). There is a probability for this surplus to slightly decrease. France was affected in 2015 by terrorist attacks and this risk is still a high one. Although there exists a certain possibility for the number of foreign tourists to decrease in 2016, France remains a priority among tourist destinations.

The reduction of the surplus in the balance of payment is caused by the decreasing total number of tourists and the loss of market quota (7.5% in 2014, compared to 11% in 2000), in favour of new destinations, such as China and Europe as a whole [OECD, 2016].

In the period 1995-2014, France’s economy recorded a 34% increase, while the tourist industry increased by 38%, a higher rate than that of education, mining sector and agriculture [WTTC, 2015]. For the period 2015-2025, an average annual rise of the tourist sector by 2.6% is estimated, while the economy, as a whole, will rise by 1.4%. The most famous and visited destinations are the capital – Paris, the French Riviera, and the Alps mountain resorts. These three destinations welcomed for overnight stays about half of the foreign tourists who visited France. Given this concentrated percentage, it is a priority for France to promote and to make famous new destinations to the potential tourists.

In June 2015, the Tourism Promotion Council took a series of measures meant to improve the promotional activities and to increase the degree of hospitality (utilisation on a large scale of digital technology, offering free services, such as Wi-Fi, improvement of quality for tourist products, emphasis on education and training actions, maintenance of investments in the tourist sector).

Table no. 1. Tourist Activity – France (Thousand Tourists/millioan euro)

	2010	2011	2012	2013	2014
Arrivals					
Totals, from which:	189826	196595	197522	204410	205837
- tourists	76647	80499	81980	83634	83767
- visitors	113179	116096	115543	120776	122070
The Main Markets Issuing Tourists					
Germany	11720	11953	12572	13396	12684
Great Britain	12175	12332	12143	12549	11808
Belgium	9935	10086	10365	9320	9297
Italy	6583	7408	7394	7171	7504
Netherlands	6944	6447	6301	6496	5548
Revenues from tourism					
Revenues	43332	47634	50446	-	-

Source: OECD, 2016, OECD Tourism Trends and Policies 2016, Paris: OECD Publishing, p. 171

The French authorities started, in 2014, the Shopping By Paris campaign, by which the tourists benefited from discounts of 10% in over 270 shops in Paris, all over the campaign period, while Tourism en Ville aimed at attracting visitors towards other cities with tourist potential [UNWTO, 2014].

III. ITALY

With over 75 million tourists a year, Italy is the fifth tourist destination in the world, after France, USA, China and Spain.

In 2014, the share of tourism in GDP exceeded that of the bank system, chemical industry, agriculture, car industry and mining industry, while the indirect and induced effects exceeded those of the already mentioned fields and those of education [WTTC, 2015]. The total contribution of tourism to GDP (direct, indirect and

induced effects) were of 10.1%. Comparatively, the share of chemical industry was 4.6% and that of agriculture of 4.2%. In the period 1995-2014, the share of tourism in GDP increased by 4% while the economy, as a whole, increased in the same period by 9% [WTTC, 2015]. In the same period, the car production decreased by 20%, the mining industry by 18%, and retails by 7%, while the education sector increased by 5%. Estimations show that tourism will increase, in the next ten years, by an average rate of 1.8% per year, while economy will grow with an average rate of only 0.7%, the financial sector with 1.4%, and the bank one by 1.6%.

Tourism created in 2014, in a direct, indirect and induced way, 2.6 million workplaces (11.4% of the total number). Education and sales only have a bigger contribution on the labour market than tourism. In this sector work four times more persons than in the bank system and seven times more than in the chemical industry.

In Italy, each USD 1 million spent on the territory of the country to a tourist purpose brought forth USD 1.4 million to the GDP [WTTC, 2015]. Only the educational sector has a higher added value. Not all sums spent by tourists remain on the territory of the country they visit. Part of it is used for the payment of imports. In the case of Italy, over 10% of the incomes resulted from tourism leave the country via importation. Comparatively, 47% of the incomes resulting from the chemical industry are used for the payment of imports.

Each USD 1 million obtained from tourism supports 17 workplaces, 7 of them in direct manner, 7 indirectly and 3 in an induced manner. At the level of the whole economy, the same sum supports 12 workplaces².

Receipts from tourism rose by 3.6%, compared to those from export, which increased by only 2%, which translated by the sum of EURO 34.2 billion in 2014, compared to EURO 3.1 billion in the previous year, confirming the role of tourism for the economy of Italy. The incomes from tourism represent 40% of the export of services and 7.4% of the total export. In the period 2000-2014, exports of the tourist sector rose by 68% [WTTC, 2015].

Italians who visited to a tourist purpose other countries spent more in 2014 (EURO 21.7 billion) compared to 2013 (EURO 20.3 billion). Yet, the balance is still in surplus.

The aggregate expenditure for tourist development on the territory of Italy (EURO 86.6 billion, 9.8% of the national consumption) generated an added value of EURO 94.8 billion, i.e. 6.5% of the total added value, and created 3 million workplaces (12.4% of the total number of workplaces).

Italy is, as a whole, very attractive from a tourist point of view, but the south of the country attracts a bigger number of tourists compared to the north, although economically there is an important development gap in favour of the north [OECD, 2016].

Table no. 2. Tourist Activity – Italy (Thousand Tourists/million euro)

	2010	2011	2012	2013	2014
Arrivals					
Totals, from which:	73225	75866	76293	76762	77694
- tourists	29599	29747	29933	29058	29118
- visitors	43626	46119	46360	47704	48576
The Main Markets Issuing Tourists					
Switzerland	13297	13565	13145	12985	13412
France	9976	10165	10245	10361	11260
Germany	10857	11682	11679	10971	10675
Austria	7660	6503	6930	6607	6584
Great Britain	3348	3480	3647	3639	3972
Revenues from tourism					
Revenues	30485	32411	33678	34839	35963

Source: OECD, 2016, OECD Tourism Trends and Policies 2016, Paris: OECD Publishing, p. 210

The number of foreign tourists who visited Italy in 2014 increased by 3.6% compared to the previous year, which denotes the interest for this country, whose tourist supply is varied and comprehensive (especially cultural tourism – preferred by the foreigners, coastal and mountain tourism – preferred especially by the Italians).

In 2014, in Italy functioned 167 hotel brands with a supply of 139,200 rooms [Horwath HTL, 2015]. 509 hotels are part of the international chains (55.5%) and 676 are part of the Italian chains or are properties of the residents [Horwath HTL, 2015].

Although Italy is the fifth destination of the world and one of the first three European states, the tourist sector has a series of so-called weak points, such as the insufficient organization of the supply, a fragmented

² To make a comparison, USD 1 million resulted from agricultural activity supports 16 workplaces; for financial services supports 9 workplaces; from automobile industry supports 10 workplaces, from communications supports 8 workplaces; from chemical industry supports 9 workplaces; from education supports 19 workplaces, according to WTTC report.

promotion of the tourist activity abroad, an infrastructure needing improvement, lower competitiveness of products, inadequate specialization of the personnel with a view to adapting themselves to the global market, difficulties to attract foreign investments in tourism, development gaps between the north and the south, an improper perspective of the politicians, who do not consider tourism an investment priority for development [Angeloni Silvia, 2013], all of that compared to its main competitors.

As far as the authorities are concerned, some policies were developed by means of which a strengthening of the relation between tourism and culture is wanted, the main factors of economic competitiveness and attractiveness.

A priority and a challenge at the same time is represented by the distribution of tourist activities on the territory of the country. 67% of the wealth produced by tourist activity comes from 5 regions: Latium, Lombardy, Veneto, Emilia-Romagna and Tuscany. The south of the country, less developed than the north, contributed with 18% to the incomes resulting from tourism. While Rome, Venice, Florence and Napoli attract an impressive number of tourists, leading to congestion, some interesting archaeological sites in other areas of the country are difficult to reach by public transportation, so that the tourists do not include them in their list of tourist priorities.

Due to its economic policy, Italy supports sustainable tourism by promoting new points of tourist attractiveness of cultural type, by encouraging entrepreneurs to improve services with a view to responding to the tourists' needs.

In 2015, in order to improve the tourists' access, the government conceived and approved a National Airports Plan, which aims at applying strategies of investment for the modernization of 11 airports of strategic interest and 26 of national interest.

The authorities also promote Italy as a shopping destination, based on its reputation of country of fashion and big producer of garments, especially haute couture. Presently, Italy is considered the third destination preferred by the tourists motivated by shopping [UNWTO, 2014].

IV. SPAIN

Spain is, like France and Italy, one of the most important tourist destinations in the world, being well integrated in the European tourist network [Pack D. Sasha, 2013]. The 2007 crisis affected quite powerfully the economy of Spain, the unemployment rate going beyond 20%, but the tourist industry reported positive results, the number of tourists rose, and tourism remained a strategic sector for the economy of Spain [Alvarez-Diaz M. et al., 2012].

Just like in the case of France and Italy, in Spain tourism is the key economic activity, with a contribution to the GDP, in 2014, of 11%. Adding to that the indirect impact, the percentage reaches 15.2% of the GDP, almost the twice the share of the bank sector (7.2%).

In Spain, tourism created 2.2 million workplaces (12.7% of the total number). For each workplace in the tourist sector, other two places are supported on the market by indirect and induced effects.

Spain had a record in terms of foreign tourists – 64.9 million (7.1% more than in 2013) who visited the country in 2014. They brought forward incomes of EURO 49.1 billion, 4.2% more than the previous year. The increase was recorded in the case of each market of tourists apart: Great Britain (4.7%), France (11.3%), Germany (3.5%) and Italy (14.6%).

In 2014, tourists spent 139.6 million nights on the territory of Spain, 3.4% less than the previous year.

From the internal tourism, in 2014 Spain obtained incomes of EURO 19.8 billion [OECD, 2016], and from the external one of USD 69.5 billion [WTTC, 2015], the equivalent of 53% of the total amount of exports of services and 25.4% of the total amount of exports.

In the period 1995-2014, the rate of growth of the tourist activity was 53%, while the economy, as a whole, increased by 48%, and the mining industry decreased by 32%. For the next decade is estimated an average annual increase of tourism by 2.3%, of economy by 1.7%, of education of 1.5%, and of sales by 1%.

Spain makes efforts to achieve a unitary national strategy in the tourist field by harmonizing the regional ruling. By its economic policy, Spain aims, among other things, to raise the amount of tourist activity and of profitability, to create new workplaces in the tourist and related fields, to unify the market, to renew the tourist brand of "Spain", to sustain the public-private co-responsibility, to eliminate seasonality of tourism.

The objectives of tourist development are supported by three main instruments: knowledge, entrepreneurship and training, improvement of tourist supply and diversification of demand.

Although Spain is a brand by itself, a renown one, the authorities are highly interested in strengthening it, and also in satisfying the consumers (client-orientation), in repositioning established destinations by granting credit facilities for the renewing of the tourist infrastructure, in improving the management, standardizing the categories of classification of the accommodation units, underlining the importance of the cultural and natural wealth of the country, in improving the gastronomic and innovation management, in supporting the public-

private partnership, in enlarging the sphere of knowledge, in supporting the talents and the entrepreneurs [Ministerio de Industria, Energía y Turismo].

Table no. 3. Tourist Activity – Spain (Thousand Tourists/millioan euro)

	2010	2011	2012	2013	2014
Arrivals					
Totals, from which:	93744	99187	98128	103231	107614
- tourists	52677	56177	57464	60675	64995
- visitors	41067	43010	40664	42555	42619
The Main Markets Issuing Tourists					
Great Britain	12440	13615	13624	14334	15007
France	8125	8375	8913	9539	10616
Germany	8814	8975	9319	9857	10422
The Northern States	3574	3898	4168	4875	5045
Italy	3490	3765	3538	3225	3698
Revenues from tourism					
Revenues	-	-	-	-	-

Source: OECD, 2016, OECD Tourism Trends and Policies 2016, Paris: OECD Publishing, p. 275

Note: there are no statistical data regarding the income

Among the main factors of tourist attractiveness of Spain, there is culture, nature, the seaside, history, art and gastronomy, but Spain is especially preferred by the tourists from Latin America, Middle East and Africa, as a shopping destination [UNWTO, 2014].

Spain mainly promoted the “sun, sea and sand”, conveying a seasonal character of the tourist activity and under-using a high percentage of the tourist infrastructure. Italy, whose offer is similar to that of Spain, managed to eliminate seasonality so that Spain makes, in its turn, a priority out of the reduction of congestion in the peak periods (end of summer-beginning of autumn, with the highest peak in August and September) and of the guaranteeing of tourist flux all over the year [Gutiérrez-Domènech M., 2014].

Spain targets an improvement of the quality of services with a view to attracting a number of tourists as high as possible, to make them faithful clients, to diversify the markets on which the country is to be promoted as a tourist destination and to avoid the risk to concentrate promotion in a reduced number of states [Xosé R., Rivadulla R., 2012].

V. FRANCE, ITALY AND SPAIN, A COMPARATIVE ANALYSIS

France, Italy and Spain have in common the fact that they are major European and world tourist destinations; they have similar attractiveness factors, Italy and Spain having a similar supply, although differences are significant. Culture, art, history are the main reasons for tourism in the great cities of these countries, the diversity of these factors of attractiveness help them attract impressive fluxes of tourists each year, and be sure of the market niches they hold, their competitiveness being in fact just apparent and maybe just superficial. The wish to visit sights, museums and churches that shelter works of art of great personalities in their original form is so powerful, that the tourists often make abstraction of the quality of services they are offered, especially the accommodation ones.

Table no. 4. The Main Markets Issuing Tourists

France	Italy	Spain
Germany	Switzerland	Great Britain
Great Britain	France	France
Belgium	Germany	Germany
Italy	Austria	The Northern States
Netherlands	Great Britain	Italy

Source: OECD, 2016, OECD Tourism Trends and Policies 2016, Paris: OECD Publishing, pp. 171-373

In all of the three analysed cases, we notice the presence of Germany as a tourist-providing market, due to, on the one hand, the territorial proximity, and on the other hand to the fame of destinations, and the wish to see new places and cultures. Germany is one of the first five tourist-providers for some of the emergent states in Eastern and Central Europe as well, such as Romania, Hungary, and Bulgaria. The Germans demonstrate a high inclination to travelling, having no preconceived ideas and being open to any experience that seems to meet their personal objectives.

The inhabitants of the north countries prefer Spain in particular, and the English prefer the established destinations. They are not in top five tourist-providers for the emergent countries, being probably more reticent towards less known destinations in developing countries. Although USA does not appear among the first five tourist-providers for France, Italy and Spain, in reality the number of Americans who visit these countries is pretty high.

All three analysed countries are among the priority destinations of those who make out of tourism a style of life. The three countries are preferred especially by the European tourists because the free circulation, the unique currency and the direct airlines allow for an easy travelling everywhere in the EU perimeter.

France is in the top of the European tourist destinations, with a number of 205837 thousand tourists who visited it in 2014, about 98000 thousand more than those who visited Spain and about 128143 thousand more than those who visited Italy.

France, Spain and Italy are countries in whose economy tourism plays an important role. Their culture and history are the main factors of tourist attractiveness. As long as art, history, personalities coming from these countries and their works, everything that means knowledge associated with local culture are known everywhere in the world, they naturally become destinations that everyone wants to visit and revisit.

The indicator of incomes from tourism is valid, in OECD Tourism Trends and Policies 2016, for France and Italy for the period 2010-2012, while for Spain it is not available. France got incomes from tourism, in 2012 amounting to EURO 5044 million, while Italy obtained the same year EURO 33678 million, EURO 16768 million less. In all three cases, the incomes attracted by means of tourist activity add to the national income a consistent percentage that makes it be one of the priority economic activities.

The quantum of these incomes outline an encouraging perspective for the related activities. The direct and indirect effects of tourism for the three European developed countries we analysed stimulate the efforts of continual improvement of the supply, even if the factors of attractiveness are unique, which translated by clear advantages compared to other destinations. Of the tourist development policy of these countries, which we have briefly presented, one can notice the interest they show in attracting the highest possible number of tourists, and in offering them diverse and qualitative products. Tourism in these countries records, naturally, a dynamic evolution, in the context of an already existing tradition in the field, which makes the mission of the emergent states difficult in their fight to gain market quota.

VI. CONCLUSIONS

We have analysed the statistic indicators that describe the tourist activity of three European developed states whose economic growth is mainly based on tourism. Italy, Spain and France, in their diversity, share common characteristics, they are well-known destinations everywhere in the world, they are visited by persons from all continents, being art of the world top five and the European top three.

The tourist sector holds important shares in GDP and has an important contribution to the labour market. The strong country brands and the high fluxes of tourists do not exclude an increased interest of the authorities to support the development of tourist industry, by establishing concrete measures of economic policy.

France, Spain and Italy will remain major tourist destinations in Europe and in the world; a competition with them is difficult, as they are models of development through tourism for those countries who regard this activity as an opportunity for their growth.

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