

UNWTO MST INITIATIVE AND THE MEASUREMENT AND ANALYSIS OF SUBNATIONAL TOURISM AND SUSTAINABLE DEVELOPMENT ¹

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¹ The present note has been drafted for attendees of the WG on MST meeting (Madrid, 20-21 October 2016). It takes as reference three documents prepared by Carl Obst (UNWTO consultant for the MST initiative):

- “Measuring Sustainable Tourism: Project concept note” (February 2016)
- “Developing a statistical framework for measuring sustainable tourism: Designing case studies” (March 2016)
- “Measuring Sustainable Tourism: Developing a statistical framework for sustainable tourism /Overview of the initiative” (July 2016)

as well as the INRouTe document provided last February to the UNWTO as committed in the Agreement signed between both organizations in July 2011 (identified as *Guidelines* document all along this text). The suggestions presented here will be discussed by INRouTe’s partners in order to define the work schedule envisaged for INRouTe’s second phase (2017-2020).

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PART A) THE CONTRIBUTION OF INROUTE ADVANCING MST INITIATIVE STATISTICAL FRAMEWORK

I. Proposed steps to develop a statistical framework for sustainable tourism: the subnational perspective

From a conceptual point of view, there are strong connections and inter linkages between the following three objectives of the MST project:

- Developing indicators for global monitoring of sustainable tourism and promoting tourism within the SDG indicator framework
- Linking the System of Environmental-Economic Accounting (SEEA) and Tourism Satellite Accounts (TSA) frameworks to underpin a statistical framework for sustainable tourism
- Advancing towards an understanding of tourism in relation to sustainability at multiple scales by integrating information at the global, national and sub-national levels.

From the INRouTe perspective, only the third objective is relevant and in fact the conceptual framework used for the proposed design of the Regional Tourism Information System (R-TIS) could contribute to the overall objective by articulating sets of information (basic statistics data and indicators) at national / regional and sub-regional levels.

In order to develop the basic set of variables of such a system it is required, first of all, adapting those concepts, definitions, classifications, accounting procedures and principles of recording included in the IRTS 2008 official document, and supplementing them when necessary; additionally, it is also required to design a proper articulation of available tourism statistical data and indicators between the nation and the regions.

Such set of basic statistical information usually produced by official bodies should be seen as the basic core and the first priority for the setting up of the proposed R-TIS; in a second step, an articulation of regional/sub-regional levels should be foreseen. More precisely, INRouTe recommends for those regions where tourism is significant, to focus on an incremental approach that involves, first of all, the development of a limited articulated set of statistical basic data and indicators at the national/regional level; the term “articulation” implies linking with statistical rigor available national and regional data used to measure the same variables on tourism as an economic activity and on economic, environmental and socio-cultural dimensions of sustainability.

Other type of data (non-necessary official, nor statistical) will be required in order to provide support to key tourism stakeholders as well as for monitoring and comparability purposes (on tourism destinations within a given country as well as internationally) regarding some key areas of measurement and analysis.

This proposal is feasible in statistically developed countries (EU countries and others).

In order to develop such a statistical framework, the following three steps, which are part of the MST initiative, are considered particularly relevant to the INRouTe project:

- Describing sustainable tourism
- Addressing key measurement challenges
- Developing pilot studies

1.a) Describing sustainable tourism

At present, there is no agreed definition of sustainable tourism that might be directly amenable to measurement. At this time, it may be premature to spend significant resources to determine a singular definition; however, it is likely necessary to describe the elements and perspectives relevant to sustainable tourism such that the work on developing the statistical framework is scoped appropriately.

The description of sustainable tourism will reflect a combination of the user requirements and a general understanding of sustainable development as encompassing economic, environmental and social dimensions.

INRouTe agrees with such approach but will give priority to environmental sustainability

Surely it is no coincidence that the limited experience available to address the measurement of impact / contribution of tourism to the sustainable development has not been particularly successful. At least three major reasons could be identified:

- Most of the best known international initiatives were initiated before the approval by UN in 2008 of the new international standards on tourism statistics that have proved to bring a solid conceptual framework to the measurement and economic analysis of tourism.
- There has been no clear international leadership fostering the need for international comparability at least on the most researched dimension of environmental sustainability
- The isolation of tourism statistics background from general economic and social statistics development has also contributed to such situation: concepts like “tourism sector”, “tourism related employment”, “tourism population” and many others are not yet familiar within the tourism community (in particular, practitioners and researchers) but are key concepts in order to develop sustainability type of indicators (see *Guidelines* document 2.43).

In any case, UNWTO should propose an update of those paragraphs in IRTS 2008 chapter 8/D in order to bring consistency with the MST initiative. (see *Guidelines* document Box 5).

1.b) Addressing key measurement challenges

INRouTe has identified the following three ones as particularly relevant in connection with the MST initiative:

The visitor is not the only statistical unit in IRTS 2008; also the travel party and establishments are key units; both of them need to be properly operationalize for its measurement

As in much environmental statistics, tourism statistics combine the demand side/consumption perspective inherent in tourism (linked to the “visitor” until the IRTS 2008 international standard) with the supply side/production perspective (which in the case of tourism statistics refers to the “establishments”). Connecting these perspectives for the full range of relevant variables of a system of tourism statistics will not be straightforward.

While INRouTe has already proposed an operational approach for linking “visitor” and “travel party” (see *Guidelines* document, Annex 18), linking “establishment” with “enterprise” is far more complex (and for sure it is not properly said a tourism issue (see *Guidelines* document, chapter 5 / B “Complexity of the regional measurement of tourism”))

The complex task of addressing a robust articulation of a national/regional set of basic statistical data and indicators

Generally economic and environmental statistical frameworks are developed and implemented to provide national level information that can usually be desagregated at some sub-national levels. However, for understanding environmental impacts and dependencies and for understanding tourism behavior at destination levels it is becoming increasingly clear that a proper statistical and non-statistical effort is required.

Of course, the data requirements are much larger as finer scale information is incorporated and some variables may not be amenable to measurement at finer scales. Describing the appropriate scales of measurement for the various parts of the statistical framework will be important and consequently a classification of territorial entities is needed.

It should be highlighted that the conceptual design of INRouTe’s proposed R-TIS identifies three sets of information:

- the statistical information obtainable for tourism (understood as an economic sector) as a disaggregation of operations carried out with a national coverage and in an official capacity mainly by National Statistical Offices and National

- Tourism Administrations supplemented by available data on economic, environmental and socio-cultural dimensions of sustainability;
- official statistical operations carried out by regional bodies (such as Regional Statistical Offices, Regional Tourism Administrations, Regional public institutes and agencies for tourism development and management, and other official bodies). These operations are sought to be supplementary to the first set in order to avoid information overlapping between national and regional levels.
 - a third dataset not necessarily of official and/or of statistical nature (including data such as electricity consumption by households, credit card expenditure records, transport authorities control, business cycle indicators, early warning indicators, other indicators regarding tourism and sustainable development, etc.) is particularly relevant at regional and sub-regional levels not only for the measurement/monitoring of tourism (carried out by the regional tourism authority or other regional entities, other entities of supra-regional scope or even by national bodies), but also for analytical purposes (such as analysis of the performance of certain subsectors and foresee their evolution, the perceptions of the demand of a certain destination, etc.) and for gathering data requirement for providing answers to policy questions related with tourism itself or in relation with sustainable development issues.

The expansion of big data and open datasets will certainly spread the content of this third set of information.

To properly understand the nature of the proposed design of such a system, other remarks are also relevant in connection with the MST initiative:

- -INRouTe initiative has been conceived and developed as the adaptation of 2008 international standards for tourism statistics (the International Recommendations for Tourism Statistics –IRTS 2008- and the Tourism Satellite Account: Recommended Conceptual Framework –TSA 2008-) to subnational levels.
- It is recommended that the basic core of such system refers to basic statistical data and indicators; most of them should be derived from official statistical surveys at the national level; six main sources have been identified). (Border survey - Domestic tourism household survey - Accommodation survey - Statistical business register - Structural business survey - Population census).
- Such sources are available in practically all EU member countries as well as in non-European countries pertaining to the G.20 international community and should be supplemented, if available, with other national sources focusing on environmental and socio-cultural dimensions of sustainability.
- Other regional official statistical data might be also included.
- Such set of information would allow for a proper articulation of national/regional basic set of data and indicators which should be seen as a first priority for the setting up of the R-TIS (see *Guidelines* document, paragraphs 3.13 to 3.19).

- Other countries with a lower level of statistical development might find inspiring the *Guidelines* document in order to set up a planning work schedule for those regions where tourism is particularly significant; particularly those countries that have decided to renew their national tourism information system as the first phase of a project that also includes the subnational measurement as a second priority.
- The R-TIS database is recommended to be geo-referenced (not only for rearrangement of data but also for mapping purposes).
- The initiative of setting up a R-TIS is recommended as a necessary prerequisite for comparing nationally and internationally main tourism destinations and cities where tourism is significant, as well as to rigorously measure territorial, environmental and other economic and social impacts of tourism activity.

INRoute has proposed UNWTO that the Statistics and Tourism Satellite Account Programme start asking by 2017, on a voluntary basis, for subnational statistical indicators (no more than 15) for a selected number of countries with a developed national statistical system: each of such countries would select one or more regions where tourism is particularly significant.

Such proposal has the potential of enlarging economic analysis as well as foster international and intra-national comparability. Such an initiative (see *Guidelines* document, chapter 3/Section A) should be understood as developing a network of countries that should identify the required data and determine the best way of collecting them on a regular basis; it should also include UNSD in the perspective of becoming, in due time, a global initiative aligned with the UN 2030 Sustainable Development Agenda.

The need for supplementary concepts to those in IRTS 2008

As described in the *Guidelines* document, the conceptual design of the R-TIS has followed as much as possible the IRTS 2008 standard on tourism statistics.

Nevertheless INRoute has strongly argued about the need to extend such conceptual framework as can be seen in the following box with include the main “extensions” to such standard

| CONCEPTS AND OPERATIONAL DEFINITIONS |
|---|
| - Significance (economic) (2.28 and 2.29) |
| - Tourism population (see Basic Glossary) |
| - Travel party (6.21 to 6.27, Annex 18) |
| - Regional tourism (visitors and related expenditures) (6.16 , 6.39 to 6.41) |
| - Mobility and Tourism connections (propensity to travel, main and secondary purpose of the trip, travel behavior of visitors at destination, itineraries and other topics) (3.37, Chapter 2/C.2) |
| - Territorial planning and Tourism connections (Chapter 2/A) |
| - Carrying capacity (see Basic Glossary) |
| - Regional Tourism Information System (1.1 to 1.5, see Basic Glossary) |
| - Tourism destination (Chapter 2/C) |
| - Governance network (3.10 to 3.12) |

CLASSIFICATIONS

- Classification of territorial entities (2.25 and 2.26)

ACCOUNTING PROCEDURES

- Statistical information (layers) (5.2, 5.3, 3.15, 3.22)
- Scalability (5.2, 5.3, 3.15, 3.22)

PRINCIPLES OF RECORDING

- Geo-referenced data bases (1.2, 3.22, 5.41 to 5.48)

INRouTe wants to highlight that the definitions provided for all these “extended topics” (included in the *Guidelines* Glossary) should be considered as provisional for two main reasons:

- UNWTO Secretariat does not use uniformed definitions of concepts such as “sustainable tourism”, “tourism destination”, “tourism products” and “forms of tourism”; consequently, the *Guidelines* document does not provide definitions about “sustainable tourism” or “tourism destination”, and uses statistical definitions for the other terms unless explicitly indicate

- There is no international standard about what a Regional Statistical System should be; the only exception refers to European Union countries –see *Guidelines* document, Annex 22-. In fact, the System of National Accounts 2008 official document includes just nine paragraphs when addressing Regional Accounts (see SNA2008/ 18.E) and refers to Eurostat documents for further insight on this topic.

Due to this lack of a robust Regional Statistical System conceptual framework, the proposed design for the setting up of the R-TIS has no proper recommended UNWTO Compilation Guide as is the case for the National Tourism Statistical System. Consequently, the *Guidelines* document is a first step in the process of taking tourism measurement at sub-national levels seriously.

1.c) Developing pilot studies

One basic objective of such studies is to check the proper operationalization of the statistical framework proposed for the setting up of the proposed R-TIS; also the evaluation of the feasibility to compile sub- indicators in order to measure tourism as an economic activity and to support global monitoring on sustainable tourism.

There are four elements particularly relevant regarding the design of pilot studies in line with INRouTe's previous research and discussions held during these last five years:

- Proper selection of the territorial entity
- Description of policy and analytical questions to be explored
- Identifying key institutional arrangements and stakeholders
- Collection, evaluation and documentation of available data

- 1) Because each environmental area might represent different ecosystem types, the relevant environmental boundaries will vary in each pilot study and the degree of detail needed may be a function of policy questions and data availability

Learning from the experience of using the proposed classification of territorial entities (see *Guidelines* document, paragraphs 2.25 and 2.26) will be crucial for further refinements

- 2) Key stakeholder at regional and sub-regional levels should be contacted while designing the pilot study in order to identify and understand what are their concerns regarding available information, analytical gaps and their demand of new type of data. Such background would allow to select the policy questions and analytical insight that the pilot study will address.

Not necessary all and each type of pilot study should provide a dataset of available statistical and non-statistical information but an evaluation of its statistical robustness, level of coverage and quality of such information and propose what information is missing and why it could be relevant for one or more stakeholders

INRouTe has identified a best practice example in the Canary Islands developed by one of its partners that could qualify as a case study that could be further expanded in order to be a pilot study regarding this second key element.

- 3) A third element refers to a particular type of governance focus and structure needed when different key stakeholders agree to cooperate developing the measurement and analysis of tourism and sustainable development.

Key stakeholders refers to tourism practitioners -including tourism officials who commission surveys and research, and those who undertake such surveys- and different key stakeholders at regional and sub-regional levels –including governments, public institutes and agencies, universities, research centers, industry associations, trade bodies, consulting firms, tourism destination managers, tourism development authorities, tourism businesses, etc.

- 4) A final element would be to list a proposal of common methods to be used looking for a harmonization not only in the concepts used but also in the data obtained in order to allow for a more robust type of comparability of such data internationally but also intra-nationally

INRouTe will consider the opportunity to design a harmonized approach for potential pilot studies in line with the previous comments (see Part B) of this document)

II. Process and next steps for linking tourism and sustainable development measurement

In addition to what has been so far referred in the MST initiative as basic steps to be foreseen, INRouTe understands that the following three steps should also be highlighted:

Develop supporting materials

The following content might deserve priority:

- Development of guidance materials concerning the compilation of basic statistical data and indicators at regional and sub-regional levels
- Guidance on building of indicators on sustainable tourism and the organization of sub-national level data.

INRouTe strongly suggest the design of e-learning material as a support for launching workshops and training courses instead of looking for a Compilation Guide due to the very initial stage of the statistical insight regarding the measurement of tourism and sustainability at sub-national levels as previously indicated.

Foster different levels of appropriate institutionalization

In order to guide the collection and integration of statistics that are likely to be sourced from multiple domains and different agencies, it is obvious that establishing an appropriate institutional arrangement is needed.

In fact, setting the R-TIS should presuppose the existence of a strategy of inter-institutional cooperation both with regional key tourism stakeholders and with the Central Statistical Office and other possible national bodies. The design of such strategy and the leadership of launching such projects should correspond to those regional bodies with clear competences in tourism development.

Specifically, INRouTe recommends that the setting up of such strategy and its operationalization should be supported by a Regional Inter-institutional Network. Such network requires at least three basic components:

- the integration of such stakeholders both at the regional and sub-regional levels
- a governance structure and a working agenda must be designed and agreed by key tourism stakeholders for the set up of a R-TIS. Such agenda should identify common initiatives for both regional and sub-regional levels, as well as others proper for each of such initiatives.
- the technical support of a multidisciplinary group of experts in statistics, geography, economics and tourism as well as other practitioners and researchers. Such a group might request the cooperation of any type of national or subnational institution/s

Consequently, the tasks to be developed by such a network (called either “Tourism Observatory”, “Institutional Network” or any other term) should be understood as the necessary tool for a proper governance structure decided by

key stakeholders in order to guarantee the sustainability of such medium-long term initiative (see Guidelines document Annex 36)

Other initiatives

- Other steps (such as provide guidance on TSA / R-TSA development, and many others) might be also considered at a later stage if required financial resources would be provided.

PART B). DESIGN AND OPERATIONALIZATION OF INROUTE SECOND PHASE (2017-2020) IN LINE WITH THE MST INITIATIVE

I). Setting the focus

Let's try to answer a very simple question: what has UNWTO done since the publication of the IRTS 2008 in relation with the recommendations about the "high priority to link tourism and environmental sustainability"? (included in IRTS 2008, chapter 8/D, paragraphs 8.33 and 8.45)). The answer is that only now, with the recent approval of the UN Agenda 2030, different initiatives are starting.

INRouTe understands that providing a proper answer to why it happened is relevant and maybe these two reasons are part of it:

- Only very recently there has been a SEEA Extension that identifies ecosystem as the focal point in order to link tourism statistics and environmental accounting at subnational levels.
- Another fact is that there are barely no successful examples of a tourism entity understanding that in order to advance in this direction the use of statistical information, administrative records (e.g. consumption of water, energy..) is needed and this requires a very solid and sophisticated level of governance. An example of this sophistication would be a tourism entity working with technical support by the regional level, so that this is addressed with enough critical mass and know-how. Even more difficult perhaps, could be an institution at the national level that can steer an initiative in this sense. The case of New Zealand is an example for the national level, and the case of Andalusia is an example for the regional level.

Linking tourism measurement and environmental sustainability at sub-national levels is a very challenging topic because we cannot just focus on conventional statistics but definitely we also need digital footprints and statistical use of administrative records, which can be publicly owned or not, and that can be owned or guarded by national or subnational entities. Moreover, so as to obtain this information, an ad hoc governance framework is needed, as this venture cannot be conceived as purely technical, it has an

inherent institutional character, as it is very well known by the UNWTO's initiative GOST (Global Observatories on Sustainable Tourism)

The importance of an analytical framework useful to different key stakeholders should also be stressed. This is directly linked to the governance framework not being exclusively focused on the statistical perspective. In fact, when deciding between prioritizing the statistical rigor or the analytical potential of the information to be used, perhaps the latter could win (see *Guidelines* document, paragraph 7.15).

The work conducted by INRouTe in the past 8 years, and the feedback gathered among its network of experts forces INRouTe to clearly define which should the next steps be for the period 2017 – 2020. The following ones are proposed:

- Deepening in a limited number of the research areas approached during the first phase of the INRouTe Project with the aim of developing conceptual extensions as well as identifying new operational challenges
- identify potential pilot studies designed with a harmonized approach in order to test the feasibility and operationalization of main components of the R-TIS present conceptual framework (see *Guidelines* document, paragraph 2.31)
- INRouTe also needs to greatly improve its institutionalization

II). Objectives and their operationalization

Developing “conceptual extensions” and identifying new operational challenges

INRouTe has no resources for do whatever we could think of interest; consequently it could be right to consider that if resources could be obtained for specific initiatives in line with the 20 research areas addressed during the First Phase (see *Guidelines* document, paragraph 1.7), it could be appropriate to propose some related activities to improve our present understanding on some of them.

Let’s start the discussion about which of those topics associated to such areas could be further elaborated. The following list includes a first proposal of just nine topics (some of these topics are linked to potential pilot studies that INRouTe is right now trying to operationalize or initiatives under way supported by some partners):

- About developing Regional TSA
- Urban walkable tourism
- City tourism and big data
- City tourism and cruises
- Extending the R-TIS to subregional entities
- Measuring tourism and sustainable development in islands
- Measuring tourism behavior and segmentation of arrivals at tourism destinations
- Revitalization of declining mature tourism destinations
- Developing the conceptual and operational framework linking tourism and Land Use Planning

There are two reasons why this list could be modified:

- if a second agreement with UNWTO could be reached, it could be legitimate to reconsider part of this first proposal
- the collaboration envisaged between UNWTO and UNSD in connection with the MST Initiative might also bring the focus in due time to allow for expansions of the SDGs national indicators to other scales (this possibility is also mentioned in the UN 2030 Agenda)

Designing Pilot Studies

INRouTe should consider the opportunity for design a harmonized approach for potential pilot studies with a direct application by the MST initiative to be undertaken by international / national /regional/ sub-regional administrations or other entities, meaning:

- The inclusion of some key concepts for the INRouTe project and recommendations for its measurement; learning from such experiences will certainly provide new thoughts in order to refine the conceptual framework so far developed and to better operationalize the measurement of the such supplementary concepts already mentioned
- Harmonization of common methods to be used in such studies would be relevant.
- Ideally, UNWTO should consider the usefulness of designing a basic core of elements that should be included in the design of pilot studies that could be of direct application to the MST initiative.
- Explain the measurement part of each study (metadata files) is a prerequisite for evaluating to what extent all or some data of the various studies could allow for comparability
- Each study should be properly documented in a standardize format in order for INRouTe to disseminate main outcomes of the worked carried on in connection with “learning from experience”. This point implies that INRouTe will be provided with the necessary copyright cession for these formats
- Propose the inclusion of measurement of additional information items that could allow for linking tourism and environmental sustainability expanding the present scope of the proposed list of 15 indicators already mentioned
In such perspective, the existence or not of data on agriculture, transport and mobility, energy use, culture and investment items, as well as water use consumption by hotels and golf courses, other type of “environmental resources consumption by visitors and local resident population, etc., should be explored in line with UN SEEA references regarding the ecosystem approach; such data would allow linking tourism and environmental statistics according to such standards with the ambition to integrate tourism as an economic activity with other perspectives as indicated

INRouTe also needs to improve greatly its institutionalization both with its members and in connection with other national and international institutions and networks.

There are two main reasons for that:

- the continuity of the INRouTe project requires of a reasonable amount generation of financial resources
- but also requires finding the way for the proper dissemination of what we have learned and written in these years in order to provide assistance to those entities that might be interested in learning about the complexity of the measurement or tourism at sub-national levels