NATURAL RESOURCES AND COMPETITIVENESS OF THE TRAVEL AND TOURISM INDUSTRY IN CENTRAL AND EASTERN EUROPEAN COUNTRIES: AN EXPLORATORY APPROACH

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Competitiveness of the travel and tourism industry - one of the common concepts employed to approach and describe the sustainable development of the industry, as well as, that of the tourist destinations, is generally defined taking into consideration a set of reference elements related to the major functional dimensions such as the business environment, infrastructure, laws and regulations, and resources available in the tourist destinations.
The paper assesses in an exploratory manner how important are and what is the contribution of the natural resources to the overall competitiveness of the travel and tourism industry and to its specific performances based on the specific data referring to the Central and Eastern European countries.

Introduction

In the last decades, environmental worries used to focus on the effect of running out of natural resources like oil and industrial metals on the economy growth. Lately, these issues became more diversified and impacted significantly the tourism industry. According to Esty and Winston (2006), top ten environmental issues are climate change, energy, water, biodiversity and land use, chemicals, toxins, and heavy metals, air pollution, waste management, ozone layer depletion, oceans and fisheries, deforestation.

There is an inherited and fixed trade-off: ecology versus economy. On one hand, there are benefits of environmental standards and, on the other hand, there are higher prices to be paid and a reduced industrial competitiveness (Porter and Van der Linde, 2008).

Due to the impressive growth, in the last decades, in the number of the international tourist arrivals, from only 25 (in 1950) to 903 million (in 2007), tourism has become one of the largest and fastest growing economic sectors. (WTTC 2008). In this context, the competitiveness of tourism destinations and, generally, the overall competitiveness of the travel and tourism industry, became vital for their survival and growth in the international market. Hence, sustainable tourism and preservation of natural resources are essential for tourism destination competitiveness and development.

The competitiveness of a tourism destination is a complex and relative concept, a part of this complexity being suggested by the definition given to the tourist destination seen as places or some form of actual or perceived boundary, such as physical boundaries of an island, political boundaries, or even market-created boundaries (Kotler, Bowen, and Markens, 2006). As a consequence, measurement of the tourism destinations competitiveness is also a complex due to the methodology employed and to the reference considered in the process of measurement (that can be a destination itself or an organization operating at the level of that destination). One of the tools that can be used to analyze and measure the competitiveness of a tourist destination can be the Porter's five forces model, which takes into consideration the factor conditions (skilled labor, infrastructure, natural, cultural and historical resources), demand conditions, related industries, corporate strategy, structure and rivalry in the sector (Claver-Cortes, Molina-Azorin, and Pereira-Moliner, 2007, 2009).

Characteristics of a competitive tourist destination are of a very different nature and form a significantly diversified set of features. Among these are mentioned the ability to increase tourism expenditures, to increasingly attract visitors, to provide tourists with satisfying and memorable experiences in a profitable manner, to contribute to the enhancement of the well-being of destination residents and preservation of the natural resources for the future generations (Richie and Crouch, 2003). Seen from a macroeconomic perspective, tourism destination competitiveness has a support the three pillars of natural resources, climate and culture (Lumsdon, 1997). Ejarque (2005) proposes the following set of elements to be considered in analyzing the tourism destinations: the geographical location, environmental and physical conditions, demographical situation, existing tourist attractions, image perceived and image associated with the tourist destination, tourism resources (natural, cultural, activities, infrastructure and services).

Natural resources and climate have been identified a one of the significant factors, together with the cultural heritage, sport, recreation and education facilities, shopping and commercial facilities, infrastructure, and the cost of living (Tang and Rochananond, 1990) in determining the attractiveness of a country as a tourist destination and,

by extension, the competitiveness of the travel and tourism industry. There is a set of natural elements accepted by specialists: forests, soils, water and fisheries, minerals, energy. (Lovins, Lovins, and Hawken, 2007; Hart, 2007).

Methodological Notes

The main objectives to be reached through the present research approach referred to the assessment of the correlations between the natural resources and overall competitiveness and performances of the travel and tourism industry and economy and between the determinant factors and the overall competitiveness of the natural resources in the case of the selected CEE countries.

In order to assess the impact of the natural resources over the travel and tourism competitiveness it was employed a set of data included in The Travel & Tourism Competitiveness Report 2009 (called further TTC Report 2009) issued by the World Economic Forum in Geneva, Switzerland. Ten countries of the Central and Eastern Europe (CEE) have been selected from a list of 22 based on the affiliation to the region and their status as members of the European Union: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.

Variables of the research approach have been the following:

-overall travel and tourism competitiveness, as it is expressed by the indexes determined, according to the specific methodologies, for all the 133 investigated countries;

-performances of the travel and tourism industry and economy: GDP and travel and tourism industry and economy, employment in travel and tourism industry and economy, international tourist arrivals and international tourism receipts;

-factors describing the natural resources competitiveness: number of the World Heritage sites, protected areas, quality of the natural environment and total known species.

Pearson correlation coefficient has been the statistical tool employed to conduct the measurements and produce the aimed results.

Major Findings

An overall assessment of the travel and tourism competitiveness in the CEE allow drawing a conclusion according to which there is not a significant difference between these countries regarding their competitiveness: although Czech Republic (with an overall score of 4.86) and Estonia (4.83) appear distanced, in the upper part of the hierarchy, from the remaining countries, the all ten CEE countries form a relatively uniform assembly in terms of their travel and tourism competitiveness (the average score at the level of the group being of 4.41).

For all ten CEE countries, regulatory framework appears as a supportive dimension of their competitiveness. Business environment and infrastructure appears as a dimension exerting an unfavorable impact over the competitiveness of the CEE countries (with the exception of Slovenia) while human, cultural and natural resources play a similar unfavorable role, Poland being the single CEE country for which these resources represent a strength of the travel and tourism industry's competitiveness.

Impact of the natural resources on the competitiveness of the travel and tourism industry in the CEE countries has been assessed considering the scores expressing the competitiveness of the natural resources and the performances in terms of the gross domestic product and employment (for the industry and for the economy), international tourist arrivals and receipts at the level of the ten CEE countries.

Table 1. Natural resources and the travel and tourism industry, economy and performances in the selected CEE countries (2008)

Country	TTC	13NR	GDPi	EMPi	GDPe	EMPe	ITA	ITR
Czech Republic	**4.86**	**2.89**	3474	86	22019	478	6680	6618
Estonia	**4.83**	**3.83**	750	19	4887	115	1900	1035
Slovenia	**4.53**	**2.98**	1238	28	6101	113	1751	2483
Hungary	**4.45**	**2.60**	4078	170	10419	244	8638	4728
Slovakia	**4.34**	**3.73**	1312	34	11324	261	1685	2013
Latvia	**4.31**	**3.00**	496	14	2433	66	1653	671
Lithuania	**4.30**	**2.49**	467	14	2690	80	2180	1153
Bulgaria	**4.30**	**3.11**	1483	84	5757	324	5151	3130
Poland	**4.18**	**3.53**	7962	244	38780	1092	14975	10627
Romania	**4.04**	**2.87**	3631	304	9352	600	1551	1464

Notes: TTC – Travel and Tourism Competitiveness Index; 13NR – Natural Resources; GDPi – GDP and travel and tourism industry (US$ millions); EMPi – employment and travel and tourism industry (thousand jobs); GDPe – GDP and travel and tourism economy (US$ millions); EMPe – employment and travel and tourism economy (thousand jobs); ITA – international tourist arrivals (thousands); ITR – international tourism receipts (US$ millions); countries ranked in the descending order of the TTC index.

Extremely surprisingly, natural resources (defined and assessed through the number of UNESCO natural World Heritage sites, quality of the natural environment, total known species of animals in the country and the percentage of nationally protected areas in the total surface of the country) appear to be very poorly related to the competitiveness of the CEE countries as travel and tourism destinations (r=0.18). This may suggest that although these countries have several natural attractions their contribution to the overall competitiveness of the travel and tourism industry and activities at their level is rather less significant. Also, CEE countries seem to unfortunately not have the knowledge and/or found the capacities for an effective employment of the natural resources as a critical driver of their competitiveness.

Measurement of the association between the indicators expressing the performances of the travel and tourism industry and economy and the scores expressing the competitiveness of the natural resources in the CEE countries shows rather poor relationships between these variables in the cases of the gross domestic product and travel and tourism economy (r=0.27), and employment and travel and tourism economy (r=0.22), respectively very poor relationships in the case of the employment and travel and tourism industry (r= –0.11) and gross domestic product and travel and tourism industry (r=0.07).

A more effective employment of the natural resources available in the CEE countries seems to not determine a significant improvement in terms of the macroeconomic performances generated by the travel and tourism industry and economy (gross domestic product growth and/or a higher number of newly created workplaces). Or, in other words, CEE countries should orientate their efforts, on a shorter-term perspective, toward the improvement of the business environment and infrastructure, respectively the regulatory framework as these appear to be the major determinants of their overall travel and tourism competitiveness.

Association between the number of the international tourist arrivals and the international tourism receipts and the scores expressing the competitiveness of the natural resources in the CEE countries shows also a very poor relationship between these variables (r=0.06, respectively r=0.11). These results may suggest the necessity for these countries to expand the specific efforts of preserving, promoting and taking advantage of their available natural resources. In spite of the less significant present, these resources should become one, considering a medium or a long-term horizon, one of the most important motivators of the international tourists in their selection of the CEE countries as destinations for the travel and holidays to be made.

Table 2. Major determinants of the natural resources pillar competitiveness

Country	TTC	13NR	1301	1302	1303	1304
Czech Republic	4.86	5.41	0	15.8	4.3	390
Estonia	4.83	2.26	0	31.1	5.5	327
Slovenia	4.53	2.68	1	6.5	5.3	396
Hungary	4.45	3.92	1	5.6	4.0	383
Slovakia	4.34	2.69	2	19.6	4.5	401
Latvia	4.31	2.11	0	14.1	5.3	346
Lithuania	4.30	2.39	0	6.1	4.9	319
Bulgaria	4.30	3.13	2	9.5	3.8	447
Poland	4.18	5.08	1	23.6	4.1	398
Romania	4.04	2.85	1	11.3	3.7	439

Notes: TTC – Travel and Tourism Competitiveness Index; 13NR – Natural Resources; 1301 – Number of World Heritage natural sites; 1302 – Protected areas; 1303 – Quality of the natural environment; 1304 – Total known species; countries ranked in the descending order of the TTC index.

According to the Travel and Tourism Competitiveness Report, variables describing the content of the natural resources pillar are the number of UNESCO natural World Heritage sites, the protected areas, the quality of the natural environment and the total known species. Measured correlations between each of these variables and the general competitiveness of the natural resources illustrate a moderate association in the cases of the quality of the natural environment (r=0.47), the number of the World Heritage sites (r= –0.45), and the total number of the known species (r= –0.40), respectively a rather moderate association in the case of the percentage of the protected areas in the total surface of the country (r=0.33). The inverse connection between the competitiveness of the natural resources competitiveness and the number of the World Heritage sites and the total number of the known species, although surprisingly to a certain extent, indicate that CEE countries could seize the opportunities created by the relative scarcity of these elements: international tourists could probably be more interested and to visit a destination where the natural environment has provided less places registered as World Heritage sites and/or hosts a lower number of animal species.

Assessment of the correlations between the factors used in the TTC Report 2009 to describe the content of the natural resources pillar and the overall competitiveness of the travel and tourism industry in the CEE countries had led to the following, and again surprising, results:

-there is a moderate and inverse correlation between the overall competitiveness of the travel and tourism industry and the number of the World Heritage natural sites in the investigated CEE countries (r= – 0.45); apparently, a lower number of the natural sites registered by UNESCO (at least by comparison to other tourist destinations worldwide) should transform these countries in more attractive destinations for the international tourists, generate higher receipts (and revenues) and influencing in a favorable manner the overall competitiveness of the travel and tourism industry;

-the correlation between the protected areas and the overall competitiveness of the travel and tourism industry in the CEE countries can be characterized as a rather moderate one (r=0.33); it could be expected that an increase in the percentage covered by the protected areas in the total surface of the countries would determine a positive evolution but not in the same measure significant of the travel and tourism industry's competitiveness. Maintaining and expanding the areas of land and/or sea especially dedicated to protect and preserve the biological diversity and natural resources should determine a slightly reasonable increase of the CEE countries competitiveness as tourist destinations;

-the correlation between the quality of the natural environment and the overall competitiveness of the travel and tourism industry in the selected CEE countries can be characterized as a moderate one (r=0.47); an improvement of the natural environment quality will determine a moderate effect at the level of the overall competitiveness of the travel and tourism industry of these countries;

-finally, the correlation between the total known species of mammals, birds and amphibians and the overall competitiveness of the travel and tourism industry in the CEE countries can be characterized as a moderate but inverse one (r= –0.40); like in the case of the natural World Heritage sites, countries registering a lower number of known species, at least by comparison to other tourist destinations worldwide, should be more attractive as tourist destinations, generate higher receipts and revenues and being more competitive in terms of their travel and tourism industry.

Conclusions and Future Directions of Research

Although their overall scores vary around the determined average value, the investigated group of CEE countries form a relatively uniform assembly in terms of their travel and tourism competitiveness characterized through a higher attention given to the appropriateness of the business environment and infrastructure and the regulatory framework and a less concern for capitalize the existing natural heritage. The overall scores registered by these countries according to the TTC Report 2009, place them in the middle area of the hierarchy built in terms of the travel and tourism competitiveness.

Natural resources are related, surprisingly, very poorly to the overall competitiveness of the CEE countries seen as travel and tourism destinations although it would have been expected a more consistent contribution in this respect. Knowledge as well as the capacities for an effective employment of the natural resources become both essential for the CEE countries in their attempts to transform this category of resources in a critical driver of their travel and tourism competitiveness.

A lower number of the natural sites registered by UNESCO in the World Heritage, and a lower number of known species (at least by comparison to other tourist destinations worldwide), as well as an expanded surface of the protected areas and an overall better quality of the natural environment should transform these countries in more attractive destinations for the international tourists, generate consequently higher receipts and revenues, and exerting a favorable influence over the competitiveness of the travel and tourism industry.

Further directions of research to be followed refer to the:

-identification of a more adequate set of determinants of the natural resources competitiveness, including, on a hand, some of the elements considered by the TTC Report methodology (such as the enforcement of the environmental regulation or the number of the threatened species) and, on another hand, new elements besides the existing ones considered by the TTC Report methodology in order to allow a better measurement of the natural resources impact over the competitiveness of the travel and tourism industry;

-conducting of a benchmarking analysis of the travel and tourism industry's competitiveness in the selected CEE countries having as reference the most important world tourism destinations and taking into consideration the elements describing the natural resources and their contribution to the industry's competitiveness.

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