

Sustainable tourism in for Sustaibale Danang

*A case study of Balearic Ecotax in Spain
toward Sustainable tourism*

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Self-introduction

Educational Background

- Graduated from Laboratory of Global Ecological Economics, Graduate School of Global Environmental Studies(GSGES), Kyoto University (Doctor of Global Environmental Studies, 2005)

Working Experience

- Research Assistant in UNCRD Hyogo office
- Assistant professor in GSGES, working for JICA project in T.T.Hue and Environmental Education Program in Danang since 2006
- Associate professor in Educational program of Connectivity between Human and Environment, from Forest to Ocean.

Contents of today's presentation

1. Concepts of Sustainable Tourism
2. Case Study of Balearic Ecotax in Spain toward Sustainable tourism

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Goals of tourism

■ Tourism and the SDGs

■ Sustainable Development Goals (SDGs) was adopted in 2015 as a global framework for sustainable development, in order to end extreme poverty, fight inequality and injustice, and fix climate change until 2030.

■ Tourism has the potential to contribute, directly or indirectly to all of the goals. In particular, it has been included as targets in Goals 8, 12 and 14 on inclusive and sustainable use of oceans and marines resources, respectively.



Sustainable tourism

- Sustainable tourism is firmly positioned in the 2030 Agenda.

- Sustainable Tourism is defined as
"Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"
(UN World Tourism Organization)

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Important points on Sustainable tourism

Sustainable tourism should:

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

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Important points on Sustainable tourism

- Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building.
- Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.
- Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them.

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Financial approaches toward sustainable tourism

1. Tax and charges

The imposition of taxes and settlement of charges can have two important consequences for the sustainability of tourism:

- Changing the behavior of consumers and enterprises, through their effect on prices, costs and income
- Raising revenue from consumers and enterprises that can be used to mitigate impacts and support actions such as conservation or community projects that lead to greater sustainability

2. Financial incentives and agreements

Incentives are economic instruments that influence the behavior of enterprises by providing them with specific financial support or commercial opportunities that complies with certain criteria.

Governments can act by:

- Providing financial support and opportunities themselves
- Influencing and working with development assistance agencies whose policies in recipient economies are increasingly influenced through priorities and programs agreed with governments
- Influencing the financial decision making policies and actions of commercial sources of finance

(APEC "Sustainable Development of Tourism Destinations")

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Case Study Balearic Ecotax in Spain toward Sustainable tourism

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General Information of Balearic Islands

- The Balearic Islands in Spain are located in the western Mediterranean Sea, near the eastern coast of the Iberian Peninsula.
- The four largest islands are Mallorca, Menorca, Ibiza and Formentera, including many minor islands, such as Cabrera, Dragonera and S'Espalmador.
- Balearic Islands, especially the island of Mallorca is the main Balearic resort, is a very famous tourism place in Europe.
- The yearly number of international tourists arriving in the Balearic Islands increased by almost three million to around 13 million between 2010 and 2016.



Country: Spain
 Area: Total 4,992 km²
 Population (2016): Total 1,107,220
 Density 220/km² (570/sq mi)
 Pop. rank 14th (2.3% of Spain)

Initial signs of a environmental crisis

- Initial indications of a environmental crisis in water supply, caused partly by the increasing demands of the tourist industry, emerged during the 1970s and 1980s. Pons (1989) illustrated how water demand on Mallorca in 1981 represented only 92.3% of available supply but was expected to increase to 112.4% by 2010.
- The severity of this issue has negatively affected to diversify and enhance Mallorca's tourism product.

(M. Kent, R. Newnham, S. Essex "Tourism and sustainable water supply in Mallorca: a geographical analysis", Applied Geography 22 (2002) 351–374

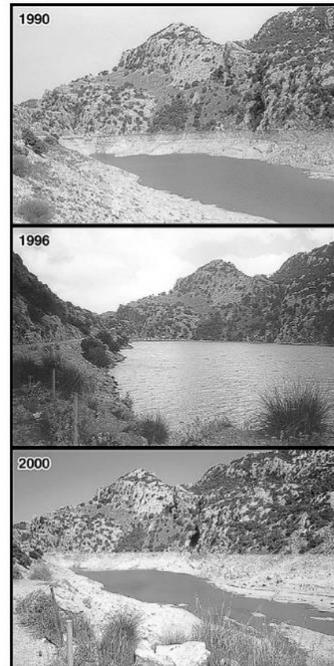


Fig. 4 Water levels in the reservoir at Gorg Blau in the Sierra de Tramuntana: (a) September 1990; (b) September 1996; (c) September 2000.

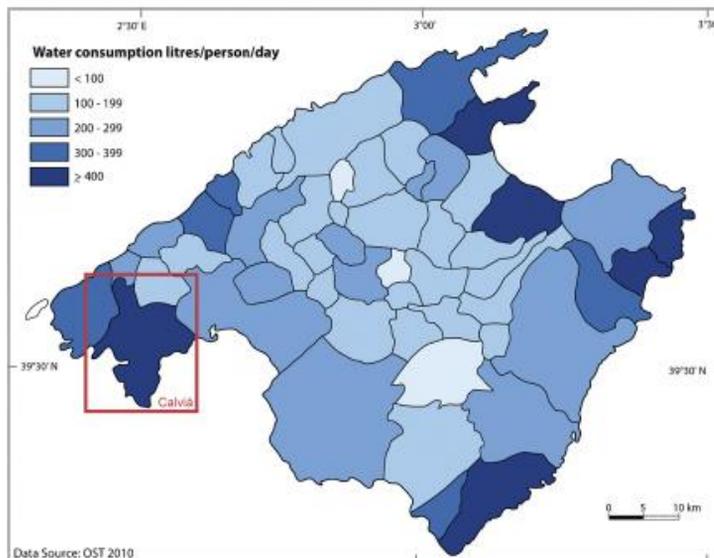


Fig. 2. Per capita water consumption at municipality level in Mallorca (2007).

(M. Kent, R. Newnham, S. Essex "Tourism and sustainable water supply in Mallorca: a geographical analysis", Applied Geography 22 (2002) 351–374

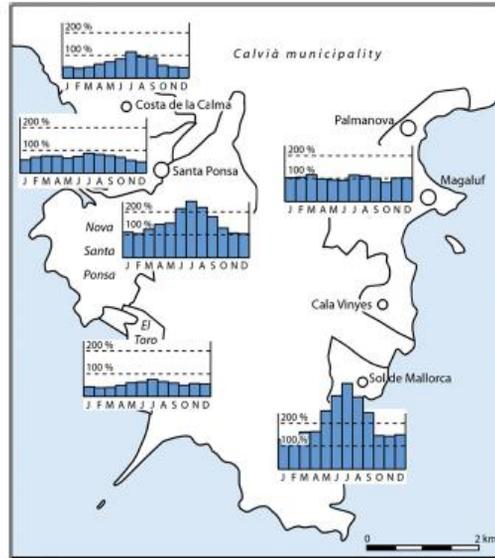


Fig. 4. Comparison of actual water consumption (2007) with water consumption calculated according to municipal water consumption estimates for housing types and tourist beds (100%) in 2007. Data source: Own calculations with population inventory (compare Section "Comparing actual water consumption data to municipal estimates for consumption by tourists and in different housing types"), water consumption data by ATERCA S.A. and Calvià 2000 S.A., and consumption estimates by Ajuntament de Calvià (2006).

(M. Kent, R. Newnham, S. Essex "Tourism and sustainable water supply in Mallorca: a geographical analysis", *Applied Geography* 22 (2002) 351–374

Table 1
Land use and water consumption patterns in the study areas (2007).

	Santa Ponsa	Palmanova/Magaluf/ Cala Nova	Santa Ponsa	Sol de Mallorca	Costa de la Calma	El Toro
Urban form	Mass tourism	Vinyes Mass tourism	Quality tourism and residential	Quality tourism	Quality tourism and residential	Residential
Area [ha]	85	357	502	100	170	87
Built-up area [%]	76	51	46	31	43	61
Garden area [%]	15	13	18	25	23	21
Pool area [%]	1.1	1.0	0.9	0.7	1.0	0.9
Percentage of single residential parcels	32	51	88	90	89	96
Level of swimming pool ownership (single residential)	40	48	77	100	42	37
Annual water consumption [hm ³]	0.88	2.98	1.80	0.27	0.40	0.17
Pool water use [%]	3.5	4.2	7.7	9.2	13.3	15.2
Garden irrigation [%]	28.9	54.1	73.9	78.8	60.2	9.1
Indoor ^a [%]	67.7	41.7	18.4	12.0	26.5	75.7
Water consumption per capita ^a [l/p/d]	210	341	771	1181	536	188
Pool water use	7.3	14.5	59.4	108.2	71.1	28.5
Garden irrigation	60.6	184.2	569.8	930.9	322.5	17.1
Indoor	142	142	142	142	142	142

^a Calculations for the official population in 2007 (see Section "Population and land use inventory at sub-parcel scale" for details): The census population for each study area plus the official tourist hotel and apartments beds (Ajuntament de Calvià, unpublished data); taking into consideration the tourist capacity utilization factor according to CITTIB (2009). Data source: Own calculations, water consumption data by ATERCA S.A. and Calvià 2000 S.A.

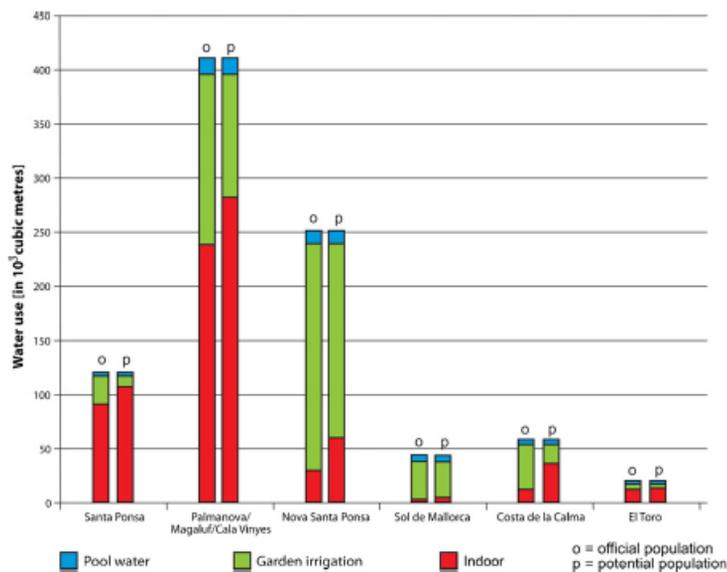


Fig. 6. Estimated water consumption by usage type in the month of maximum water consumption (July) – assumption of official and potential population (2007). Data source: Own calculations.

(M. Kent, R. Newnham, S. Essex "Tourism and sustainable water supply in Mallorca: a geographical analysis", *Applied Geography* 22 (2002) 351–374

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Environmental issues affected by tourism

- Increasing tourist numbers have negatively impacted on natural environment and sustainable water management has been a key challenge for the economic and ecological sustainability of tourism as the main economic activity in the Balearic Islands.
- The critical water supply situation on the island is being exacerbated by the extension of the tourist base. Increasing water consumption for outdoor uses (gardens, swimming pools) is a direct consequence of this development.
- According to calculations contained in the Balearic Hydrological Plan, drawn up by the Autonomous Community Department of the Environment (1999), big water shortages were forecast for the years 2006 and 2016 for all the islands except Minorca.

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Balearic Ecotax

- In order to internalize the external costs generated by tourism would maximize the social benefits, the Government of the Autonomous Community of the Balearic Islands introduced the eco-tax of EUR 1 per person in 2001
- This Eco-tax applies to visitors to Majorca, Menorca, Ibiza and Formentera as the Balearic Tourism Law states
- The main purpose of this tax is to obtain sufficient financial resources to be able to fund expenditure focused on reducing the environmental damage caused by tourism.
- The Ecotax was applied to only hotel accommodation until 2003.

5 star hotels and 4 key apartments	2 euros
3 and 4 star hotels and 3 and 2 key apartments	1 euro
1 and 2 star hotels and 1 key apartments	0.5 euro
Rural and Inland hotels	1 euro
Camping	0.75 euro
Rural tourism	0.25 euro

Balearic Ecotax

- But, the eco-tax did not produce good results since it applied only to hotels and not to property owners (OECD Environmental Performance Reviews OECD Environmental Performance).
- The Government of the Autonomous Community of the Balearic Islands introduced a tourist tax on visitors as a new environmental tax in July 2016
- This was later modified in 2017 when the Balearic authorities doubled the fee charged per night spent in the region.

Balearic Eco Tourism Tax Daily Rates per Self-Catering Accommodation Type

Self-Catering Accommodation	High Season May-Oct	High Season May-Oct	Low Season Nov-Apr	Low Season Nov-Apr
	1-8 days	9+ days	1-8 days	9+ days
Villa	€ 4.00	€ 2.00	€ 0.50	€ 0.25
"4 keys superior" tourist apartment	€ 4.00	€ 2.00	€ 0.50	€ 0.25
"4 keys" tourist apartment	€ 4.00	€ 2.00	€ 0.50	€ 0.25
"3 keys superior" tourist apartment	€ 3.00	€ 1.50	€ 0.38	€ 0.19
"3 keys" tourist apartment	€ 2.00	€ 1.00	€ 0.25	€ 0.13
"2 keys" tourist apartment	€ 2.00	€ 1.00	€ 0.25	€ 0.13
"1 key" tourist apartment	€ 2.00	€ 1.00	€ 0.25	€ 0.13
Interior tourism accommodation	€ 2.00	€ 1.00	€ 0.25	€ 0.13
Holiday rental properties	€ 2.00	€ 1.00	€ 0.25	€ 0.13

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Balearic Eco Tourism Tax - Daily Rates per Hotel Type

Hotels	High Season May-Oct	High Season May-Oct	Low Season Nov-Apr	Low Season Nov-Apr
	1-8 days	9+ days	1-8 days	9+ days
5* superior hotel	€ 4.00	€ 2.00	€ 0.50	€ 0.25
5* hotel or aparthotel	€ 4.00	€ 2.00	€ 0.50	€ 0.25
4* superior hotel	€ 4.00	€ 2.00	€ 0.50	€ 0.25
4* hotel or aparthotel	€ 3.00	€ 1.50	€ 0.38	€ 0.19
3* superior hotel	€ 3.00	€ 1.50	€ 0.38	€ 0.19
3* hotel or aparthotel	€ 2.00	€ 1.00	€ 0.25	€ 0.13
2* hotel or aparthotel	€ 2.00	€ 1.00	€ 0.25	€ 0.13
1* hotel or aparthotel	€ 2.00	€ 1.00	€ 0.25	€ 0.13
Rural hotel	€ 2.00	€ 1.00	€ 0.25	€ 0.13

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Results

- The first Balearic eco-tax raised in 2001-2003 amounted to 45 millions euros. But, according to OECD, the eco-tax did not produce good results since it applied only to hotels and not to property owners.
- The second Balearic eco-tax program introduced in 2016 was expected to bring in between €60-70 million a year, which will be spent on sustainable tourism projects across all four islands.

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Results

- 'Tourist and Natural Areas Restoration Fund' was developed, and funds raised from the tax go to the 'Tourist and Natural Areas Restoration Fund'.
- This Fund should be used for basically environmental projects to improve the quality of life of the inhabitants of the Islands, which should be initiated by the inhabitants via municipalities, Island Councils or social organizations.

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Types	Objectives or criteria
Tourism Actions	<ul style="list-style-type: none"> • To reduce adverse environmental impacts. • To restore degraded areas in order to promote a diversified tourism. • To promote water and energy saving • To promote the use of alternative means of transport.
Actions in natural areas	<ul style="list-style-type: none"> • To protect the natural areas from new adverse environmental impacts • To promote environment respect when accessed by inhabitants and visitors
Actions in natural parks	<ul style="list-style-type: none"> • To consolidate the natural park through collaboration with landowners. • To promote its conservation and environmentally respectful use by inhabitants and visitors.
Cultural heritage actions	<ul style="list-style-type: none"> • To restore our heritage and promote public access • To give it a tourism diversification use
Actions to promote agriculture	<ul style="list-style-type: none"> • To promote indigenous agriculture to conserve the countryside and cultural traditions. • To promote ecological agriculture

Results

- The eco-tax has been successfully in terms of generating revenue to promote activities aimed at improving the surroundings and creating a level of infrastructure more in line with needs generated as a result of the pressure of tourism, making one think that there is indeed a problem with finance.
- In terms of environmental effectiveness, the eco-tax contribute to internalization of the environmental impact.

Conclusion

Eco-tax could be one of potential methods to be applied to the national park in Son Tra peninsula of Danang city, to control using natural resources in the peninsula, based on the concept of User-pays principle and Polluter-pays principle.

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