

COMPETITIVENESS AND SUSTAINABILITY OF TOURISM IN THE EUROPEAN UNION COUNTRIES

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Abstract: *The competitiveness of tourism as a multidimensional concept that includes the economic, social, cultural, political and technological dimensions of tourism development is closely related to sustainable tourism, which, in addition to positive economic effects, must ensure the preservation of the destination's natural and cultural resources for future generations. The main objective of this paper is to assess the interdependence between tourism competitiveness and sustainable development of tourism based on empirical data. The research is conducted on a sample of the European Union countries. The methods applied in the paper are: comparative and correlation analysis. The research results point to the existence of a high positive correlation between indicators of competitiveness and indicators of tourism development. The concept of tourism sustainability has been important for decades and has been especially emphasized during the crisis caused by the Covid-19 pandemic. The research results further emphasized the importance of tourism competitiveness in ensuring the successful and sustainable development of tourism.*

Keywords: *competitiveness, sustainability, development, European Union countries*

INTRODUCTION

In modern conditions, tourism competitiveness is a widely researched and relevant topic that have great importance in the scientific literature, the activities of professional associations and organizations, as well as the tourism policy of states. The starting point of scientific and professional polemics about tourism competitiveness is the discussion about comparative and competitive advantages and their importance for success in the tourism market. Comparative advantages are not a guarantee of competitiveness and success in the tourist market, but rather

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the interaction of comparative and competitive advantages, i.e. the destination's ability to efficiently and sustainably use given resources (Stanišić, 2018). Competitiveness in tourism, as one of the key issues of modern tourism development and long-term sustainability of destinations, is equally important for developed tourism countries and for countries that are at a lower level of tourism development and attendance (Krstić and Stanišić, 2015). Bearing in mind the conceptual basis of the competitiveness of tourism, it can be concluded about a certain close relationship between competitive and sustainable tourism. The aim of the research in the paper is to empirically test the link between competitive and sustainable tourism development. The research was conducted on a sample of European Union countries. The Covid-19 pandemic has put special emphasis on the need to direct tourism development towards sustainable tourism. In addition to numerous researches of the scientific public, relevant institutions have paid also more attention to this issue. In this regard, the World Economic Forum (WEF) redesigned the Travel & Tourism Competitiveness Index (TTCI) and began calculating the Travel & Tourism Development Index (TTDI), in whose structure more emphasis is placed on the sustainability and resilience of tourism. The values of these two indices served as the starting point of the research.

LITERATURE REVIEW

Ritchie and Crouch (2003) define the competitiveness of a destination as the ability to increase tourist consumption and increase the attraction of visitors, by ensuring a satisfactory level of their satisfaction, while simultaneously improving the well-being of the destination's residents and preserving the destination's natural resources for future generations. According to the definition of the Organization for Economic Cooperation and Development, the competitiveness of a destination's tourism implies its "the ability of the place to optimize its attractiveness for residents and non-residents, to deliver quality, innovative, and attractive (e.g. providing good value for money) tourism services to consumers and to gain market shares on the domestic and global market places, while ensuring that the available resources supporting tourism are used efficiently and in a sustainable way" (Dupeyras and MacCallum, 2013, p. 14). Competitiveness in tourism is achieved when available funds and resources are used in a way that increases satisfying and memorable tourist experiences, where resident-tourist interactions play a significant role (Croes, Ridderstaat and Shapoval, 2020). Tourism competitiveness refers to the ability of tourist destinations to achieve certain goals (Liu, Ko and Chiang, 2021). These goals are reflected in the provision of a quality and unique experience for tourists, but also

quantitative, i.e. economic results for the destination, the well-being of the local population and the sustainable use of resources. In other words, competitiveness in tourism is a multidimensional concept. The traditional concept of competitiveness focused primarily on the economic dimension of destination strengths and performance. Although economic performance is certainly an important dimension of competitiveness in tourism, it is still only one of the dimensions. Due to the unique nature of tourism, the competitiveness of tourism is a multidimensional concept, which in addition to economic includes social, cultural, political and technological dimensions (Ritchie & Crouch, 2003).

Bearing in mind the basics of the concept of tourism competitiveness, a close connection between competitive and sustainable tourism can be observed. Sustainable tourism is a form of "tourism which is developed and maintained in an area (community, environment) in such a manner and at such a scale that it remains viable over an infinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well being of other activities and processes" (Butler, 1999, p. 22). This way of developing tourism implies that its growth and progress are realized with minimum negative ecological and socio-cultural impacts, while simultaneously achieving economic, social and ecological goals. Sustainable tourism means any type of tourism that contributes to the protection of the environment, social and economic integrity and the improvement of natural, created and cultural values on a permanent basis. Also, it is seen as tourism that can ensure the development of the local economy without damaging the environment on which it depends. Sustainable tourism should not be understood as a rigid concept, which will stop the development of tourism, but as an adaptive paradigm, which will provide benefits and an adequate experience for tourists, but also benefits for the natural and cultural environment of tourist destinations and the resident population (Hunter, 1997). When talking about the principles of sustainable tourism, "the sustainable use of natural resources and the development of tourism within physical and socio-cultural capacities are of fundamental importance" (Sharpley, 2010, p. 5) and only after incorporating this principle it can be thought about economic and other benefits of tourism development.

The Covid-19 pandemic has put special emphasis on the necessity of incorporating the principles of sustainable development in the tourism development process. In addition to the fact that the pandemic showed how important it is to ensure all dimensions of sustainability in the management of tourism development, it was also seen as a chance to establish the future of tourism on a sustainable basis. Moreno-Luna et al (2021) concluded that the pandemic has led

to a reorientation of tourists to the closer environment and that this change of perspective can lead to their avoidance of overcrowded and mass tourism destinations. This could reduce the pressure on destinations facing over-tourism, i.e. the Covid-19 pandemic was seen as a chance for the end of over-tourism (Koh, 2020). Abbas et al (2021) deal with the consideration of the transformational potential of tourism and the pandemic as a potential chance for transformation and sustainable recovery of the travel and leisure industry. Seabra and Bhatt (2022) conclude that there is a need for sustainable resilient strategies and sustainable practices under the influence of the pandemic and that this will lead to progress on the way to sustainable tourism in the post-Covid era. The Covid-19 pandemic as an opportunity for sustainable and proximity tourism is discussed by numerous authors (Romagosa, 2020; Almeida and Silva, 2020; Palacios-Florencio et al, 2021).

METHODOLOGICAL FRAMEWORK OF RESEARCH

Globally, the most widely accepted methodological framework for measuring the competitiveness of tourism is the framework of the World Economic Forum. The new circumstances caused by the Covid-19 pandemic have led the World Economic Forum to revise the traditional Travel & Tourism Competitiveness Index (TTCI) and design the Travel & Tourism Development Index (TTDI). The World Economic Forum states that with the recovery of the tourism sector "it will be crucial that lessons are learned from recent and current crises and that steps are taken to embed long-term inclusivity, sustainability and resilience into the sector as it faces evolving challenges and risks" (WEF, 2021, p. 4). The changes of the TTCI and the creation of the TTDI were made accordingly. TTDI includes new pillars, Non-Leisure Resources, Socioeconomic Resilience and Conditions and T&T Demand Pressure and Impact. Data from the World Economic Forum on TTCI as a measure of tourism competitiveness for 2019 and TTDI as a measure of sustainable tourism development for 2021 were used in the research. The aim of the paper is to examine the correlation between the competitiveness of tourism and the sustainable development of tourism in the countries of the European Union. Comparative and correlation analysis were used in the research. The basic hypothesis of the research is that there is a statistically significant positive correlation between tourism competitiveness and tourism sustainable development in the European Union countries.

RESEARCH RESULTS AND DISCUSSIONS

Table 1 provides a comparative overview of the TTCI and the TTDI scores and ranks in the European Union countries. The table shows data on the TTCI for the year before the Covid-19 pandemic (2019), the last year when the WEF published the values of this index. The data for TTDI is shown for the 2021, since it is the first year in which the WEF publishes the values of this index.

Table 1. Score and rank of the TTCI (2019) and the TTDI (2021) in the European Union countries

Countries	TTCI (2019)		TTDI (2021)	
	Score	Rank	Score	Rank
Austria	5.0	11	4.9	11
Belgium	4.5	24	4.6	22
Bulgaria	4.2	45	4.3	41
Croatia	4.5	27	4.2	46
Cyprus	4.2	44	4.4	31
Czech Republic	4.3	38	4.5	26
Denmark	4.6	21	4.7	17
Estonia	4.2	46	4.4	29
Finland	4.5	28	4.7	18
France	5.4	2	5.1	4
Germany	5.4	3	5.1	5
Greece	4.5	25	4.5	28
Hungary	4.2	48	4.3	37
Ireland	4.5	26	4.5	24
Italy	5.1	8	4.9	10
Latvia	4.0	53	4.2	48
Lithuania	4.0	59	4.3	42
Luxembourg	4.6	23	4.6	21
Malta	4.4	25	4.3	35
Netherlands	4.8	15	4.9	14
Poland	4.2	42	4.4	30
Portugal	4.9	12	4.8	16
Romania	4.0	56	4.1	53
Slovak Republic	4.0	60	4.1	56
Slovenia	4.3	36	4.3	39
Spain	5.4	1	5.2	3
Sweden	4.6	22	4.6	20

Source: WEF, 2019; WEF, 2021

The best positioned countries of the European Union according to the TTCI are France, Germany and Spain. When it comes to the TTDI, the best results and the highest score of the index were recorded by Spain in 2021. Lithuania, Latvia, Romania and the Slovak Republic are the worst positioned countries of the European Union according to the competitiveness of tourism and travel in 2019 (the TTCI score of 4.0). Romania and Slovak Republic remain the worst positioned countries according to the TTDI score in 2021, with a recorded value of 4.1. The comparative review indicate that there was a certain difference in the results achieved by individual countries according to the observed indices. In order to test in more detail the interdependence between tourism competitiveness and tourism development of the EU countries, the Spearman's rank correlation coefficient was calculated. The results of the correlation analysis are shown in Table 2.

Table 2. Correlation matrix

			TTDI (score)	TTDI (rank)
Spearman's rho	TTCI (score)	Correlation Coefficient	0.909(**)	0.914(**)
		Sig. (2-tailed)	0.000	
		N	27	
	TTCI (rank)	Correlation Coefficient		
		Sig. (2-tailed)		0.000
		N		27
** Correlation is significant at the 0.01 level (2-tailed).				

Source: Authors (SPSS Statistics)

The value of the Spearman's rank correlation coefficient between the score of the TTCI and the score of the TTDI is 0.909 ($p=0.000$). The value of the Spearman's rank correlation coefficient between the rank of the TTCI and the rank of the TTDI is 0.914 ($p=0.000$). Therefore, there is a high positive statistically significant correlation between the analyzed variables which can be reviewed by the linear regression curves shown in Figure 1.

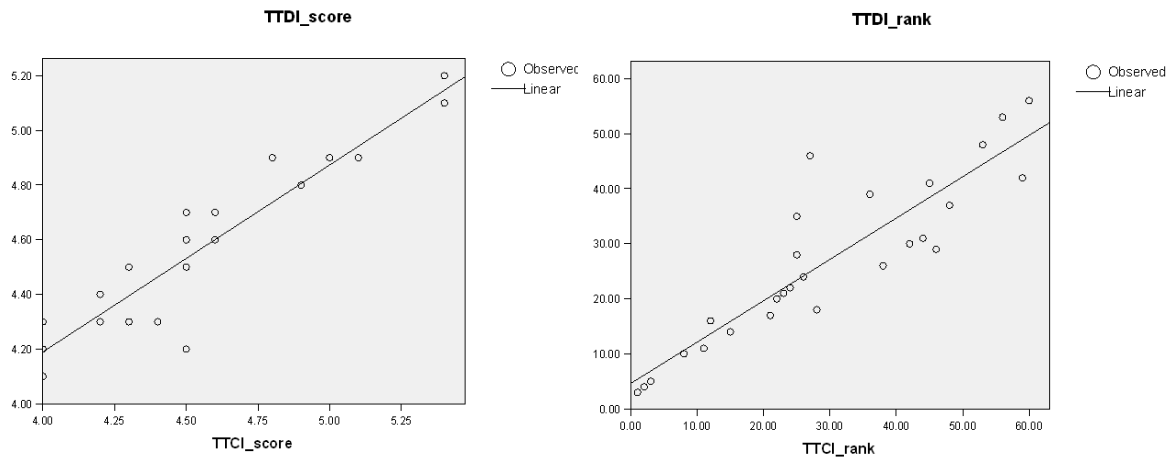


Figure 3. Linear regression models

Source: Authors (SPSS Statistics)

Based on the presented results, it can be concluded that the initial assumption of the research has been confirmed. Namely, there is a statistically significant positive correlation between tourism competitiveness and tourism sustainable development in the European Union countries.

CONCLUSION

The competitiveness and sustainability of tourism are widely researched concepts in the scientific literature. The Covid-19 pandemic and the challenges faced by the tourism sector under the influence of the pandemic further emphasized the importance of sustainable tourism development in order to ensure the conditions for its recovery, as well as survival in potential future crisis situations. The paper investigates the interdependence between tourism competitiveness and tourism sustainable development on the example of the countries of the European Union. Cross-country analysis of the indicators of tourism competitiveness and tourism development showed that there was a certain change in the ranking of countries according to the indicator of tourism competitiveness in the year before the crisis caused by the Covid-19 pandemic (2019) and the indicator of the tourism development in the second year of the crisis (2021). However, the results of the correlation analysis conducted on a sample of European Union countries confirmed that there is a high positive correlation between the competitiveness of tourism and the successful sustainable development of tourism in the analyzed countries. Based on this, it can be concluded that the high competitiveness of tourism was one of the preconditions for more successful development of tourism in crisis

circumstances. In this way, the importance of the competitiveness of tourism was emphasized once again. The main limitation of the research is the consideration of the mentioned concepts based only on the data of the World Economic Forum. Namely, although the new index of the World Economic Forum has incorporated sustainability factors to a significant extent, future research can be aimed at providing a broader information base for evaluating the greater or lesser degree of success of countries in achieving sustainable tourism.

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