The future of Mediterranean tourism in a (post) covid world

Back to Mass Tourism or leapfrog towards Sustainability
While tourism has significantly contributed to the economic development of the Mediterranean region, it has also created major negative externalities, such as the degradation of natural ecosystems, the leakages of economic benefits, the dependency in tourism incomes as well as the increase of climate warming. The Mediterranean tourism, severely impacted by the travel restrictions due to the COVID-19 pandemic, is now at a crossroad. It can shift towards more sustainable tourism patterns or at the contrary coming back to previous overgrowing trends. Ambitious, green and inclusive recovery plans are therefore strongly needed to ensure a positive future to the Mediterranean tourism and contribute to a prosperous region.
The Mediterranean Tourism, a major economic sector

The Mediterranean region has unique natural ecosystems and offers an amazing diversity of cultural and historical heritage. It benefits from mild climatic conditions, populated and well-connected locations that make it a sought-after travel spot. In 2019, the Mediterranean region was welcoming annually more than 400 million of international tourists (ITAs), being one of the most popular destinations in the world. Tourism sector accounted for up to 15% of regional GDP, with a 75% growth since 1995, expected to reach 626 million ITAs by 2025 according to the UN World Tourism Organization (WTO).

A negative loop between mass tourism and environmental sustainability

The Mediterranean Sea hosts up to 9% of the world’s marine biodiversity of which around 30% are endemic species. However, 51% of native marine fish species are in danger of extinction and 4% are listed as near threatened due to the loss of habitats from unsustainable exploitation of resources, pollution, climate change, eutrophication and invasive marine species. Yet biodiversity is fundamental to the Mediterranean economy, with benefits derived from ecosystem services estimated over €26 billion a year. Of these, more than two-thirds come from tourism.

The negative environmental impacts of tourism on the coastal and maritime areas originate mainly from the construction and operations of built infrastructures (resorts, residencies, ports and marinas, facilities, etc.) and from maritime or coastal recreational activities (nautical tourism, golf courses, water sports, etc.). These negative externalities consist of water and energy consumption, especially in water sensitive areas, where they lead to land change and artificialization of the coast, pollution, and biodiversity loss.

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Marine litter is also a critical issue: in some Mediterranean tourism areas, more than 75% of the annual waste production is generated during the summer. Given the sectoral growth, these environmental and social pressures are likely to increase if adequate regulation of tourism flows is not implemented. Given that Northern Mediterranean countries are a rather mature tourism destination, most of these pressures tend to be stationary but they are likely to increase in the coming years in Southern Mediterranean Countries.

The same pressures also take a toll on the tourist industry as it lowers the attractiveness of tourist destinations. This loss of competitiveness due to pressures from coastal tourism is evident from waste pollution, including presence of fecal water in beaches, and degradation of flora and fauna due to water scarcity derived from tourist infrastructure. The development of coastal tourism infrastructure, which is especially dense from Southern Spain to Northern Italy, has eliminated entire ecosystems and has resulted in highly vulnerable economies dependent on mass tourism.

More so, the Mediterranean tourism sector is exposed to growing pressures linked to the effects of climate change. Coastal erosion, for example, is already evident throughout the Mediterranean coast, especially in the southern part. Lack of water, coastal erosion, rising sea levels are just some of the challenges that climate change poses to tourism operators and other stakeholders on the shores of the Mediterranean Sea. The most worrying impact in the medium (2030) and long-term (2050) are in the Eastern (Egypt, Israel, Jordan, Lebanon and Palestine) and Western (Algeria, Morocco and Tunisia) southern countries.

Precarious, marginalized and unskilled jobs

The Tourism sector is labor intensive, contributing an average 11.5% of total employment in Mediterranean countries, according to the WTTC. It employs a high volume of both low-skilled and higher-skilled workers, with a heavy turnover from seasonal, part-time and temporary jobs, while providing employment opportunities for people usually disserved by the labor market: migrants, women, students, older workers, people in rural and coastal areas, sometimes in remote locations, that depend on these jobs to maintain their livelihoods.

Because of the abundance of available workforce for temporary jobs in the touristic seasons and locations, tourism work is characterized by functional flexibility and low wages, which translates into structural insecurity for the workers. Professions in social care, facilities cleaning, retail, transport, travel and tourism, leisure, and hospitality are suffering low pays, poor working conditions, little to no advancement, lack of training, and highly gender-segregated workload for women. The significant share of the informal sector (with street vendors and the rise of owner-to-visitor platforms for accommodations for example) is also hindering the constitution of worker’s unions to better the working conditions of low-skilled tourism workers.

According to the WTO, Small and Medium sized Enterprises (SME) and autonomous workers together make up about 80% of jobs in the tourism sector. Tourism jobs make up 13.5% of total employment in Spain, 10% in Greece, and 9.8% in Portugal. Since the start of the COVID-19 pandemic, there has been 100 million of jobs lost in tourism, and a gross economic loss estimated between US $910 billion and $1.2 trillion in exports.

The pandemic impact in the Mediterranean Tourism

The tourism sector has been dramatically affected in 2020 as countries worldwide followed confinements and travel bans to stop the spread of the COVID-19 pandemic\(^{14}\). The decline in economic activity and travel worldwide started in the second half of March 2020. Air, but also maritime, road and train travel, saw a drastic decline in activity. At the same time, cruise ships stood stranded at sea as ports and frontiers closed down to stop the spread of the disease. All regions across the globe were hit. After Asia and the Pacific, the first to suffer the impact of COVID-19, Europe has been the second-hardest impacted region with a 66% decline in international tourist arrivals\(^{15}\). During the summer of 2020, some countries across the Mediterranean region saw a rebound of visitors, while still enduring health restrictions. However, tourists largely preferred to stay within their countries of origin and avoid air travel abroad. Tourism was expected to grow by 3 to 4% points before the 2020 pandemic, and it is now at risk of a 80% decline, per UNWTO estimates.

In the Northern Mediterranean, Spain\(^{16}\) is the country which suffered the most from the COVID-19 outbreak. The government adopted measures such as tax deferrals and exemptions, and protected the workers affected by the crisis through temporary employment adjustment schemes. In France\(^{17}\), the lockdown measures heavily impacted the tourism sector, which then suffered a slowed-down summer season. Measures enforced by the government to remedy the situation include a credit facilitation instead of refunds for the hotels and accommodations suffering cancelled bookings, as well as 18€ billion to support the various actors of the tourism sector.

For the Southern Mediterranean, in Morocco\(^{18}\), the government also contributed to protecting unemployed people and deferred social contribution payments for a number of sectors, including tourism. More so, the Tourism ministry launched a label guaranteeing the

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respect of health safety protocols in tourism accommodation establishments, “Welcome Safely”, in order to restore customer’s confidence in the destination. In Tunisia\textsuperscript{19}, where international travel hit a 80% decline in the first semester of 2020 compared to the year prior, a policy of deferral of payments for the operators of the tourism sector suffering from the pandemic was enabled.

An uncertain future for tourism

As by end of January 2021, more than 100 million COVID-19 cases have been confirmed worldwide\textsuperscript{20}, as per the World Health Organization. The social and economic consequences for the tourism sector will thus be felt for years to come, and the uncertainty is still a major factor in the equation, forbidding both public and private actors to build up hope for a quick recovery. While in the second half of 2020, 53% of destinations temporarily eased travel restrictions\textsuperscript{21}, it will be a slow recovery. The seniors, for example, could be fearful of travelling for the upcoming years, while those subject to financial setbacks brought about by the COVID-19-induced economic crisis will have less disposable income to spend in tourism.

The United Nations World Tourism Organization (UNWTO) drew scenarios of what the sector can expect in the coming months, based on various estimates of the COVID-19 spread. However, the return to the pre-pandemic level of 2019 is not expected before 3 to 4 years, depending on the vaccine timeline. These scenarios point to a rebound in the year 2021, provided that the contagion numbers decrease, which would lead to a boost in travelers confidence on the side of the customers and a lifting of travel restrictions on the side of government regulations. The first scenario draws a recovery for mid 2023, the second by the end of 2023 and the third by the end of 2024. For 2021 at least, the numbers of international arrivals will remain below those of 2019 in all cases\textsuperscript{22}.

![2021-24 SCENARIOS TO RECOVER INTERNATIONAL TOURIST ARRIVALS](image)

\textsuperscript{19} Ibid. \textsuperscript{20} Johns Hopkins University Coronavirus Resource Center, 2020. \textsuperscript{21} UNWTO, More than 50% of Global Destinations are Easing Travel Restrictions, September 2020. \textsuperscript{22} UNWTO, International Tourism and covid-19, updated October 2020.
The only steady trend in the foreseeable future is the resuming of domestic tourism within European countries. Due to travel restrictions, closed borders and the risks of transmission via air travel, intraregional and domestic tourism are privileged by travelers\(^2^3\). Indeed, The OECD forecast for 2020\(^2^4\) shows that domestic tourism is the backbone of the Tourism industry, with 75% of tourism expenditure coming from internal travelers. Domestic tourism is what will drive the recovery for the industry\(^2^5\). Domestic tourism also suffered the least dramatic drop compared to international arrivals: in Europe, in July 2020, there was only a 22% decline compared to 2019 in nights spent by EU residents in tourist accommodation inside their own country - compared to a 64% for non-national tourists\(^2^6\). Many countries have thus started offering incentives to national travelers, from renewed marketing campaigns to subsidies to facilities so that they are more affordable for low to middle-class vacationers.

Such examples include: In Italy, a “Bonus Vacanze” contributing up to 500€ to families with low-middle incomes to spend in domestic tourism locations; or a nationwide campaign highlighting the country’s destinations in France.

Obviously, the tourism sector as it stood pre-pandemic was highly unsustainable. Transport, including international travels, was the biggest emitting sector across the European Union, ranging between 15 to 40% of countries’ carbon emissions, with total transport emissions accounting for about 30% of all EU emissions. Maritime transportation represents nearly 4% of this number\(^2^7\). At a global scale, carbon emissions from tourism are estimated roughly at 8% of total carbon emissions, mainly due to air transport, growing year after year.\(^2^8\)

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\(^2^3\) UNWTO, Market Intelligence, 2020.  
\(^2^6\) European Commission, Domestic tourism recovers faster than foreign tourism - Product, 2020.  
Digital and sustainable drivers of tourism

Two major trends appear for the future of the tourism sector: Digitalization and sustainability. Regarding sustainable tourism, national and regional tourism agencies, on their part, can promote emerging destinations, less overcrowded spots or nature-based locations, in order to better distribute travel flows, reduce environmental pressures and generate jobs in less-travelled areas or hinterlands. They can also integrate local communities in the tourism planning and policy process; support sustainable activities based on biodiversity or cultural values; guarantee social rights, adequate salaries and training programs for workers.

The integration of Social and Solidarity Economy (SSE) in the blue economy sectors such as coastal and maritime tourism is a clear framework to align socio-economic benefits and environmental protection, increasing local communities’ resilience and ensuring long term sustainability. The integration of Social and Solidarity Economy in the blue economy sectors such as coastal and maritime tourism is a clear framework to align socio-economic benefits and environmental protection, increasing local communities’ resilience and ensuring long term sustainability.29 Tour operators and travel agencies can on their side, reduce the carbon and water footprint of their supply chain, avoid food waste, eliminate single-use plastics, prioritize low-carbon transports, partner with local providers, provide appropriate training and salaries to their working force.

On the digitalization of tourism, storytelling tools allow for personalized, valuable experiences that can shun mass tourism and favor the protection of the environment. Contactless technologies, biometrics and Artificial Intelligence are part of this trend. More so, digitalization, as well as reskilling and up-skilling tourism workers can create better jobs. Investing in the human capital locally is the best way to sustain a balance between quality tourism and environmental sustainability. It must be guaranteed that no workers or communities are left behind this transition. To remedy that, public authorities have to invest in digital competences. Additionally, digitalization has the power to better inform decision-making by sharing real-time information and best practices widely available: notably, the compliance of enterprises to environmental and social sustainability.

In Italy, during the lockdown, virtual tours and cooking classes were organized by famous chefs, at a time where the real-life experience was impossible. Museums and heritage sites all around the world have held virtual exhibitions. At the European Union level, the online platform Europeana has been launched to show-case cultural artifacts. In the second quarter of 2020, the application Cultural Gems has started an initiative encouraging proximity tourism. This allows people who, because of physical or financial access, could not enjoy these cultural exhibits in person to do so digitally. In the city of Essaouira (Morocco), a digital communication campaign and its attached mobile application promoted the cultural and historical landmarks. In Marrakech, adjustment of lodging prices aimed at attracting domestic tourists. However, this digitalization of touristic locations may deepen inequality for remote places that are unconnected or can at the contrary stimulate travel flows putting in danger fragile environmental or cultural sites.

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A Green and Blue Recovery for the Mediterranean

The European Commission was already on track to establishing a Green New Deal path for the European Union before the coronavirus pandemic, with the aim to reach carbon neutrality by 2050. The recovery and stimulus measures include €225 billion (US$190 billion) in recovery funds and €322 billion (US$280 billion) for the 2021–2027 budget. Additionally, the European Commission has communicated its Farm to Fork strategy, which aims at reforming the food system sustainably. It includes clauses on the reduction of the use of fertilizers and pesticides, which are direct causes of water and marine pollution in the tourism sector. The European Parliament is also promoting an Ocean Fund34 aimed at making ships more energy efficient and supporting green infrastructure implementation in the maritime sector, to be enacted in the 2023 to 2030 period, providing up to €2.5 billion ($2.7 billion), over the next five years.

At the Mediterranean level, the Mediterranean Action Plan (UNEP/MAP) of the Barcelona Convention for the protection of the Mediterranean Sea, ratified by 22 Mediterranean riparian countries, endorsed in 2016 a Mediterranean Strategy for Sustainable Development (MSSD)35. This regional strategy integrates sustainable tourism as a strategic objective to be reached by 2025. However, the rather limited mandate of the Barcelona Convention towards environmental issues impedes significant progress on this cross-sectorial issue. A proposal to develop a Regional sustainable tourism framework has not been advanced yet36, although the tourism sector is included in the Sustainable Consumption and Production Regional Action Plan (SCP RAP) to be implemented by Southern Mediterranean country by 2026, with rather limited impact so far37.

Among other regional initiatives targeting the tourism sector, the European Union (EU) has launched the WestMed38 initiative to promote a more sustainable blue economy in Western Mediterranean countries. It integrates coastal and marine tourism, sharing Southern and Northern best practices such as the Interreg Med Tourism project39. The Union for the Mediterranean (UfM) is operating the Blue Economy platform40 and organizing on a regular basis a regional Stakeholders conference to engage policy and decision makers as well as practitioners and researchers.

Transformation towards a sustainable and equitable Mediterranean tourism

Although the projects, policies and initiatives mentioned earlier are valuable and contribute, in one way or another, to the sustainable tourism in the Mediterranean, they are in general lacking a structured and robust governance system at regional level that could ensure the necessary social and environmental transformation of the tourism sector. Tourism is a globalized yet fragmented industry that needs to be monitored, managed and regulated at various space, time and geographic scales41. The involvement of the private sector, financial actors, academic world and civil society organizations is critical to implement significant

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change and take opportunity of the recovery and resilience plans\textsuperscript{42}. All of these measures should be multifold, involving various actors and benefitting in many ways the environmental, social and economic environment, as highlighted by the \textit{High Level Panel for a Sustainable Ocean Economy}\textsuperscript{43} and described below.

In a recent foresight study, four scenarios were explored related to the evolution of Global Tourism in the coming 5-10 years, according to the national policies, business practices and citizens behaviours. Each of the scenarios results in different evolutions of the tourism sector - Overgrowth, Collapse, Long transition or Deep Transformation - providing diverse threats and/or opportunities for the tourism sector according to the sustainability criteria and the length of the pandemic crisis. The quality of Policies, Strategies and Recovery Plans designed and implemented by the countries as well as the consumers behaviours, industry evolution and local community engagement will therefore be critical for the future of global tourism.

\textbf{FOUR SCENARIOS FOR POST PANDEMIC GLOBAL TOURISM}

\begin{itemize}
\item \textbf{OVERGROWTH} \hspace{1cm} \textbf{DEEP TRANSFORMATION}
\begin{itemize}
\item Fast recovery of travel and tourism flows.
\item (Re)booming of tourism Industry and Destinations.
\item Unrestricted tourists and businesses behaviours.
\item Over tourism in saturated destinations.
\item Heavy social and ecological pressures and impacts.
\item Mainly domestic/nearby/local tourism.
\item Investment in quality, services, experiences.
\item Responsible behaviours, focus ‘to do good’.
\item Well informed consumers and businesses.
\item Stringent policies to address negative externalities.
\item Driven by green short-term Recovery Plans.
\end{itemize}
\item \textbf{COLLAPSE} \hspace{1cm} \textbf{LONG TRANSITION}
\begin{itemize}
\item Waves of travel and sanitary restrictions.
\item Strong increase of travel and tourism costs.
\item Industry bankruptcies, take-overs, nationalisation.
\item Fierce competition on price, marketing, facilities.
\item Nature and environment exploited to serve tourism.
\item Tourism reinvented, accessible to everyone.
\item Driven by innovation, digital and sustainability.
\item Small, local/regional, community-based tourism.
\item Purposeful and value oriented.
\item Respect for people and nature.
\item Driven by long term sustainable strategies policies.
\end{itemize}
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\textsuperscript{42} UNWTO, \textit{International Tourism and covid-19}, (October 2020). \textsuperscript{43} High Level Panel for a Sustainable Ocean Economy.
## Policies for a Sustainable and Equitable Post-COVID Mediterranean Tourism

### Public authorities
- Support re-skills and upskils of tourism workers in digitalization and sustainable management through training programs targeting youth and women in particular.
- Finance research and innovation programs on environmental and social management through public funding and knowledge sharing activities.
- Involve local Communities, Businesses and Civil Society Organizations in the tourism planning, decision and policy processes as well as Recovery and Resilient Plans.
- Promote ecological and social certifications to indicate to the market and consumers the environmental, social and economic benefits of sustainable tourism.

### Insurance and finance sectors
- Invest in ecosystem restoration (blue bonds), which has an important return on investment in terms of natural capital to mitigate climate change impacts such as Sea Level Rise (SLR), coastal erosion or extreme climate events.
- Finance the retrofitting of existing facilities to implement net-zero emissions and energy efficiency systems; requiring switching to self-produced renewable energy (Prosumers).
- Support green infrastructures based on Nature-based Solutions (NbS), with low ecological footprint and high socio-economic benefits.
- Phase out support to carbon intensive infrastructures and facilities such as airport extensions, brown assets and other potentially harmful investments.

### Maritime industry
- Retrofit and eco-design vessels, electrify ports, implement fuel and water efficiency systems, build renewable energy facilities to become prosumers.
- Invest in smart monitoring and technology, prioritize multi-modal connections, improve efficiency of logistics and supply chain.
- Support an Emission Control Area (ECA) in the Mediterranean to reduce air and marine pollution from vessels and ships.

### Tour operators, hotels and resorts
- Implement circular waste management systems in facilities through low water footprint, reusing grey water, treating black water and recuperating rainwater.
- Develop organic and local food systems, eliminating food waste, investing in organic products, prioritizing local suppliers and responsible value chains.
- Educate and train visitors and staff on the necessary behavioral changes to reduce energy and water use, prioritizing low-carbon transportation such as electric cars, low-carbon public transport and international trains.
Build Forward Better

The coronavirus pandemic marked the start of a deep recession for the tourism sector, leaving Mediterranean countries and industry actors, big and small, in a dramatic situation. Public and international subsidies have attempted to remedy the severe loss of jobs and income, with poor results so far. The road to recovery is dominated by uncertainty as there is no end in sight to the pandemic. Domestic tourism has a critical role in supporting hotels, restaurants and tour operators while expecting the deployment of vaccines that would allow to reduce travel bans, which can take several years. At the same time, it is crucial that the decision and policy-makers from the public and private sectors play their part in turning the industry into a more sustainable one, promoting positive externalities for the environment, the workers and the local communities. The massive investments provided by the recovery plans offer a unique opportunity to transform the tourism sector and ensure a better future for the whole Mediterranean region.

For more information


ECO-UNION
Eco-union is a citizen Think and Do tank working to accelerate the transition of our society towards sustainable development, with a strong focus in the areas of green and blue economy, responsible tourism, clean mobility, renewable energy and climate change.
www.ecounion.eu

ADEME (Financial Support)
ADEME is the French public agency active in the implementation of public policy in the areas of environment, energy and sustainable development, providing expertise and advisory services to businesses, local authorities and communities, government bodies and the public at large.
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