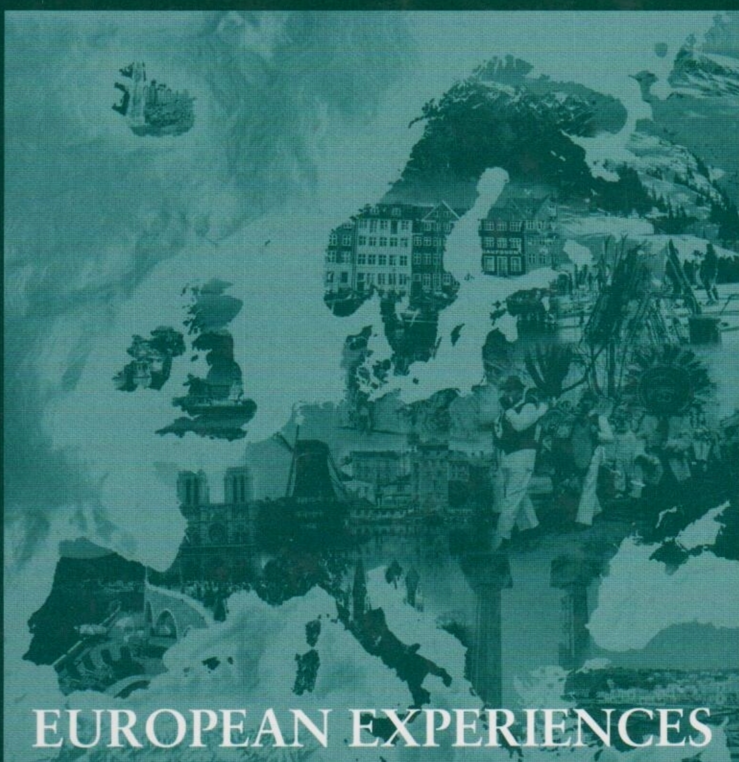
Tourism & Economic Development



EUROPEAN EXPERIENCES

Third Edition

Edited by
ALLAN M. WILLIAMS *and* GARETH SHAW

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Tourism and Economic Development

European Experiences

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3 Spain: from the phenomenon of mass tourism to the search for a more diversified model

Manuel Valenzuela

3.1 Mass tourism and the Spanish economy: a positive balance

The outstanding feature of Spanish tourism after World War II has been a rapid growth in the number of visitors, which has been linked to the incorporation of domestic and foreign middle- and lower-class social groups into the market for its tourism products. This expansion has been based on external factors—such as generalisation of paid holidays, rising living standards and increases in air travel—but social and economic conditions in Spain (lower price levels, absence of labour conflicts, etc.), as well as state policies for the promotion of tourism through the provision of financial credit and international publicity campaigns, have also been important. The dictatorial regime of General Franco prioritised tourism, regarding it not only as a valuable economic sector but also as a means of legitimisation in respect of other European states, or at least of large elements of their populations (Cals 1983, p. 15).

On the eve of the 1936–1939 Civil War, foreign tourism to Spain was still relatively small-scale, involving barely 200,000 tourists. The major expansion in volume came after the 1950s, with an increase from 2.5 million visitors in 1955 to 43.2 million in 1985, to 52.0 million in 1990 and 63.2 in 1995. Of the latter, only around 71 per cent were tourists as opposed to excursionists or travellers in transit (especially Portuguese and North Africans).

The increase in the number of visitors continued until 1973, with a reduction between 1973 and 1976 (Table 3.1), reflecting the economic crisis in a sector which was particularly sensitive to rising prices (a high elasticity of demand). After 1983 there was a further increase in arrivals which has made Spain the second-ranked country in world tourism, accounting for 8.8 per cent of all tourists and 10.5 per cent of all foreign exchange earnings. Another significant indicator of the position occupied by Spain in world tourist flows is the fact that it is included in the brochures of approximately 50 per cent of foreign tour operators. More recently, between 1989 and 1992, there was a fall in visitor numbers, related to both a loss of quality and the strong competitiveness of other Mediterranean destinations, such as Yugoslavia, Tunisia and Greece; in the same time period, income from tourism fell by 28 per cent, the mean length of stay declined and daily expenditure decreased (Pearce 1996, p. 126).

Tourism and Economic Development: European Experiences, 3rd Edition. Edited by A.M. Williams and G. Shaw.

Table 3.1 Foreign visitors to Spain, 1955–1995

	Number of visitors	Index
1955	2,522,402	100
1960	6,113,255	242
1965	14,251,428	565
1970	24,105,312	956
1975	30,122,478	1194
1980	38,022,816	1507
1985	43,235,362	1714
1986	47,388,793	1879
1987	50,484,996	2001
1988	54,178,150	2148
1989	54,057,562	2143
1990	52,044,056	2063
1991	53,494,964	2121
1992	55,330,716	2194
1993	57,263,351	2270
1994	61,428,034	2435
1995	63,255,000	2508

Sources: Secretaría General de Turismo (various), *Anuario de Estadísticas de Turismo*; Secretaría General de Turismo (various) *Nota de Coyuntura Turística.*

However, by the mid-1990s Spanish tourism had regained its world position and accounted for 8.2 per cent of tourist arrivals (second after France), but was only ranked fourth in terms of foreign exchange earnings, with 6.7 per cent of world total.

Domestic Spanish tourism, expanding as a result of higher standards of living and increased car-ownership after the mid-1970s, has also contributed—and in no small part—to the growth of mass tourism. Indeed, in the 1980s 40 per cent of Spaniards already participated in tourism; of this number, 90 per cent took their holidays in Spain in 1985. A decade later (summer 1995), 45.3 million trips were made by the Spanish population, with 93.1 per cent of these taking place within the country.

The fact that Spanish tourism has experienced largely uninterrupted growth reflects the intrinsic strength of the industry, as much as that of the economy as a whole. It is not surprising, therefore, that tourism has been favoured by successive policy-makers. The role of tourism in balancing some of the structural deficiencies of the Spanish economy in the 1960s (such as lack of industrial investment, the commercial deficit, and low consumption capacity) is well known. Even the advent of democracy in the mid-1970s, at the height of a global economic crisis, did not substantially change attitudes within successive Spanish regimes and governments. Ideology seems to have little influence on the prioritisation of tourism and the policies developed for the industry before and after the fall of Franco's dictatorship.

In the last four decades, tourism has made a substantial contribution to the Spanish economy, and this is underlined by the fact that it accounts for 10 per cent of GDP. Equally important is its contribution to the accumulation of foreign exchange reserves, in the absence of which Spanish development in the 1960s would have been far more problematic. Tourism has stimulated value added in several sectors of production, but especially in accommodation and catering (hotels and restaurants have secured about

Table 3.2 Tourism foreign exchange earnings in Spain, 1975–1994

	Earnings (US$ millions)	Index (1975 = 100)	Percentage of value of exports
1975	3,404.20	100	25.1
1980	6,967.70	205	20.5
1985	8,150.80	239	35.8
1986	12,058.00	354	35.8
1987	14,759.90	434	44.6
1988	16,542.80	486	40.9
1989	16,174.20	475	36.3
1990	18,593.00	546	33.3
1991	19,004.30	558	30.4
1992	22,180.80	652	38.4
1993	20,445.90	601	32.5
1994	21,410.30	629	39.0

Sources: Secretaría General de Turismo (various), *Anuario de Estadísticas de Turismo*; Secretaría General de Turismo (1994) *Notas de Coyuntura Turística.*

half of the economic growth generated by tourism), followed by transport, travel agencies, recreation and commerce (Alcaide 1984, p. 34). Since 1970, official input–output tables for tourism (produced every four years) have made it possible to trace the impact of tourism on the national economic system as well as providing estimates of the multiplier effect of tourist spending. Tourism provides a stimulus to virtually the entire economy through the mechanisms of secondary expenditure effects. As a result, the input–output analysis indicates that tourism accounted for a global weight of 8.84 per cent of total Spanish production in 1992 (Instituto de Estudios Turisticos 1996, p. 293). It has also contributed to capital development, accumulated from the savings of residents as much as from foreign investment; this has mostly been channelled into real estate. In some periods, tourism investments have accounted for approximately 10 per cent of the gross formation of fixed capital (Figuerola 1983, p. 24).

The most important economic effect of tourism at present is its contribution to employment generation, whether directly or indirectly. Partly due to tourism, the outflow of emigrants to Europe, which was characteristic of the 1960s, has been stemmed. However, poor working conditions, seasonality and low skill levels are widespread in the tourism industry (Cals 1974, p. 121). Tourism activities directly employed 500,000 persons in the mid-1960s; this increased to 1 million in 1975, and it is usually accepted that tourism accounted for 9.5 per cent of the economically active population by 1994. In absolute terms, tourism in 1994 was responsible for 1,116,000 jobs; of these, 664,000 were directly dependent, and 452,000 were indirect). Nevertheless, of all the economic changes brought about by tourism, the most spectacular is the generation of foreign exchange earnings; these have been a critical element in the balance of payments (Table 3.2).

Following the stagnation of growth in the mid-1970s, the position of tourism in the Spanish economy strengthened after 1983, and it had become the principal economic sector from the mid-1980s and this continued after the short critical period 1989–1992. A number of economic indicators corroborate this statement; tourism is a prolific source of foreign currency (21,410 million pesetas in 1996), surpassing Italy

Table 3.3 Arrivals of visitors in Spain by country or macro-region of origin, 1955–1993

	Percentage of all visitors										
	1955	1960	1965	1970	1975	1980	1985	1990	1991	1992	1993
Benelux	2.8	2.9	4.0	6.2	7.9	6.3	5.9	6.3	6.7	6.5	4.6
France	36.8	41.8	45.2	36.6	31.1	26.5	25.4	22.3	22.5	21.3	21.1
Germany	4.6	5.4	7.3	8.6	14.1	12.3	13.1	13.2	14.3	14.0	15.2
Portugal	6.9	5.7	7.0	10.9	11.8	24.0	17.9	19.4	19.7	20.9	19.8
Scandinavian countries	1.0	1.6	2.0	3.6	4.0	2.6	3.7	3.0	2.8	2.4	2.1
UK	13.2	10.2	9.5	11.3	11.3	9.5	11.6	12.1	11.5	11.8	13.1
USA and Canada	8.8	8.5	5.1	4.8	3.7	2.5	2.7	1.9	1.2	1.7	1.6
Other countries	25.9	23.9	19.9	18.0	16.1	16.3	19.7	21.7	21.2	21.3	22.5

Sources: Secretaría General de Turismo (various), *Anuario de Estadísticas de Turismo*; Secretaría General de Turismo (various), *Nota de Coyuntura Turística*.

and France in this respect, and contributes 9 per cent of GDP. The beneficial effects on the commercial balance have increased further, with tourism earnings providing 39 per cent of all exports, and being almost double the commercial deficit (144 per cent in 1996).

3.2 Intense geographical concentration: a major and traditional feature of Spanish tourism

Three countries together contribute more than 50 per cent of Spain's foreign tourists in most years: France, the UK and Germany (Table 3.3). Over time there have been changes in the geographical origins of the visitors: Germany and Belgium have increased in relative weight while, on the contrary, the UK and Scandinavia have declined. Despite their minor numerical importance at present, non-European tourists (mostly North American or Japanese) are being encouraged because of their higher spending capacity compared to Europeans; they also have a greater propensity to participate in inland and quality tourism (cultural tourism, hunting, golf, etc.); the results of this effort are evident in the case of USA tourists. In contrast, the 'average' profile of European tourists is more modest: they visit Spain in the peak season, and generate relatively low expenditures, compared to the world average. This is largely due to the manner in which tour operators control tourism demand and contribute to strong geographical concentration of both demand and supply, even if their oligopolistic hold has weakened somewhat in recent years; thus, by 1996 only 56 per cent of foreign tourists had booked their holidays through a tour operator, with the precise level depending on the countries of origin. Until the present, the coastal regions and the Spanish archipelagos (the Balearic and Canary Islands) have provided very attractive environments to northern European tourists: a dry and sunny climate, picturesque landscapes and low cost levels. Promotional campaigns, emphasising the bright and pleasant climatic conditions, have contributed to creating and sustaining this image. This was stressed in the current official slogan of Spanish tourism ('Everything under the sun'), while place names with climatic resonance (for example, the Costa del Sol, and the Costa de la Luz) have been used to market many coastal regions (Figure 3.1).

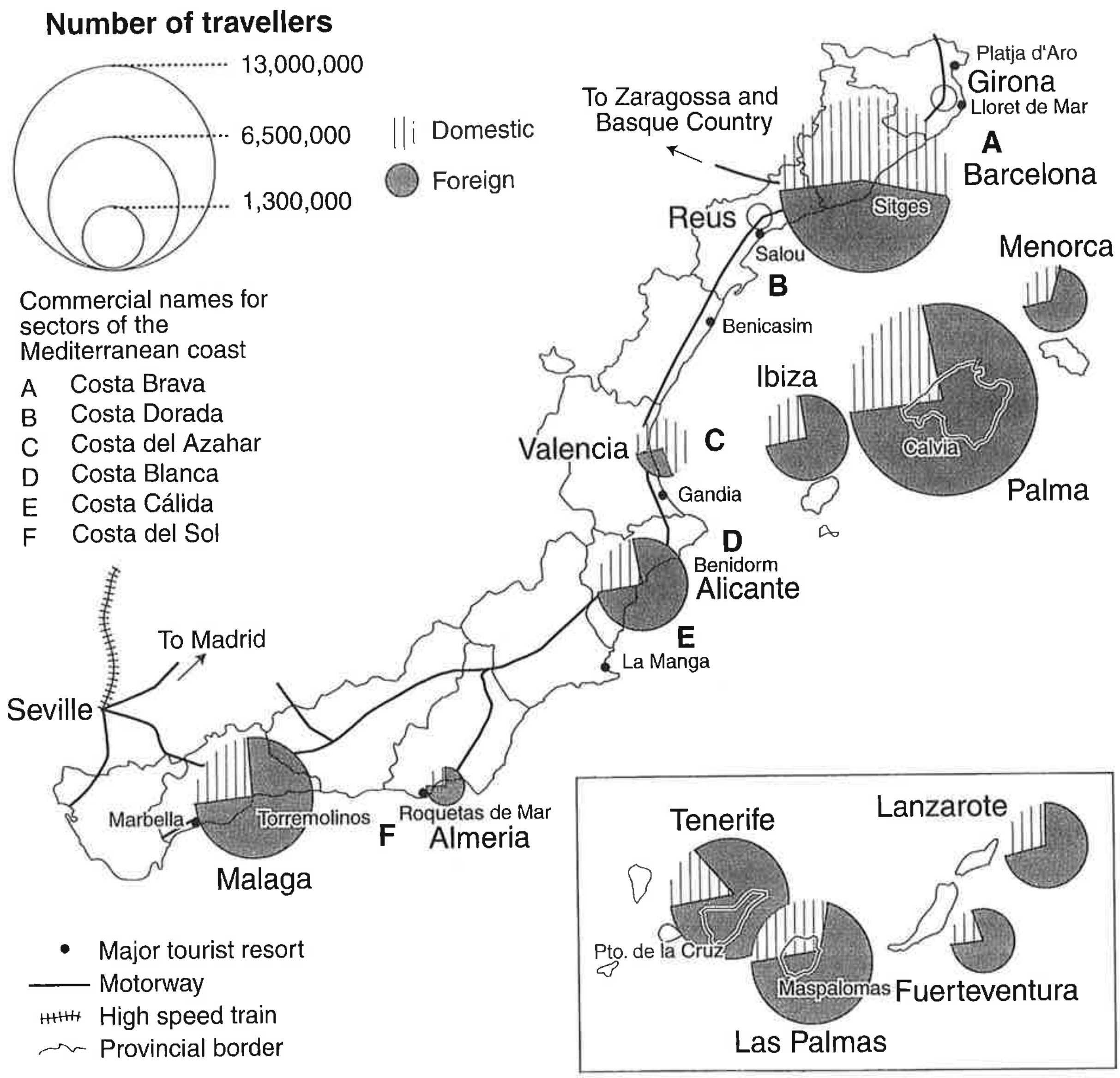

Fig. 3.1 Arrivals by air in Spain's leading tourism Mediterranean regions and islands, 1995

Source: Aeropuertos Españoles (AENA)

Efforts to break the dominance of the 'sunshine' regions have not been very successful, as is evident in surveys of the motivations of foreign tourists. In 1985, 82.1 per cent of tourists still admitted that their principal reason for coming to Spain on holiday was to enjoy the climate, even though there are differences according to countries of origin; this reason was most important for the British, Scandinavian and Germans and least important for the Italians. However, tourist perceptions are starting to change, with culture, sports and leisure retailing becoming more important tourism attractions; by the summer of 1996 some 80 per cent of tourists had participated in some kind of cultural activity during their holidays (Instituto de Estudios Turísticos 1997, p. 26).

Apart from the coastal regions, the foremost tourism destination is Madrid, which combines the attractions of a major city (museums, palaces, first-class hotels, luxury

Table 3.4 Regional distribution of tourists using hotels in Spain, 1994

		Foreign tourists		Domestic tourists	
	Total	Total	(%)	Total	(%)
Andalusia	6,285,922	2,597,591	17.0	3,688,331	18.3
Aragón	1,050,083	112,693	0.7	937,390	4.7
Asturias	453,606	30,730	0.2	422,876	2.1
Balearics	4,916,747	3,961,702	25.9	955,045	4.8
Canaries	2,952,059	2,040,786	13.3	911,273	4.5
Cantabria	526,416	73,059	0.5	453,357	2.3
Castille-La Mancha	1,027,154	179,648	1.2	847,506	4.2
Castille-León	2,023,156	334,114	2.2	1,689,042	8.4
Catalonia	5,576,948	2,985,419	19.5	2,591,529	12.9
Extremadura	599,843	67,247	0.4	532,596	2.6
Galicia	1,353,542	160,241	1.0	1,193,301	5.9
Madrid	4,094,739	1,640,197	10.7	2,454,542	12.2
Murcia	414,572	46,053	0.3	368,519	1.8
Navarra	328,413	40,405	0.3	288,008	1.4
Basque country	942,183	208,912	1.4	733,271	3.6
La Rioja	240,779	29,583	0.2	211,196	1.1
C. Valenciana	2,580,782	787,451	5.1	1,793,331	8.9
Ceuta y Melilla	83,384	14,646	0.0	68,738	0.3
Total	35,450,328	15,310,477	100.0	20,139,851	100.0

Source: Instituto Nacional de Estadística (1995), *Movimiento de viajeros en establecimientos turísticos.*

retailing, etc.) with good accessibility by air travel from rest of Europe. It is also the 'door to Europe' for most North and South American tourists. The historic cities of the interior are also widely visited by excursionists, either from the nearby coasts (Córdoba, Seville, Granada) or Madrid (Toledo, Segovia). Many small and medium-sized historic towns of the interior (Ciudad Rodrigo, Alcalá de Henares, Sigüenza, and Lorca, among many others) are promoting their images as tourism destinations, either via individual publicity campaigns or as parts of networks of historic routes. An example of the latter can be found in the case of Spain's World Heritage Cities, which have created a consortium, chaired by Avila, for promoting themselves with the assistance of Turespaña (Vera Rebollo and Dávila Linares 1995).

The regional distribution of tourists—whether foreign or Spanish—is far from homogeneous, as is evident for hotel users at the level of the autonomous regions in 1994 (Table 3.4 and Figure 3.2a,b). Andalusia, with 6.2 million visitors, is the leader, followed by Catalonia (5.5 million), the Balearics (4.9 million), Madrid (4.1 million), the Canary Islands (2.9 million) and Valencia (2.6 million). There is a rough balance between Spanish and foreign travellers in all regions, except the Balearics and the Canary Islands where foreign tourism dominates.

Data on overnight stays provide another measure of geographical concentration (Table 3.5). The importance of the Balearic Islands for foreigners is evident, accounting for 40.4 per cent of overnights, a figure which has been virtually static since the mid-1980s. However, in Catalonia and Valencia there is a more stable relationship between foreign and domestic overnights. The distribution of domestic tourists—73.4 per cent of whom in 1995 preferred seaside holidays—is more evenly spread amongst

Fig. 3.2 Distribution of tourists and accommodation, by type, in Spain's autonomous regions in 1994: (a) Autonomous regions; (b) number of tourists staying in hotels, 1994; (c) registered accommodation, 1994

Source: Secretaría General de Turismo

the tourist regions, except the archipelagos. However, there is some preference in the domestic market for the classic 'sun and sea' product provided by the leading tourism destinations: Andalusia (17.5 per cent), Catalonia (14.6 per cent), the region of Valencia (13.8 per cent) and the Balearics (10.2 per cent). Domestic tourists also have a stronger preference than foreign ones for other Spanish destinations, including the mountains and rural areas of the interior.

There are important variations in the geographical preferences of tourists, according to their country of origin (Table 3.6). Germany and the UK are the major foreign sources of tourists; the British are in a majority on the Costa Blanca (Alicante), the Balearics and the Costa del Sol, while Germans predominate on the Costa Brava and the Canary Islands. The French continue to be important on the Costa Brava and the Costa Blanca. North American tourism is increasing in volume and is already significant in inland areas (Madrid, Seville and Granada), but is also important in Alicante and Málaga, seaside resorts which attract elderly tourists. Other urban destinations such as Barcelona, La Coruña (Galicia) or San Sebastián (Basque Country) are also

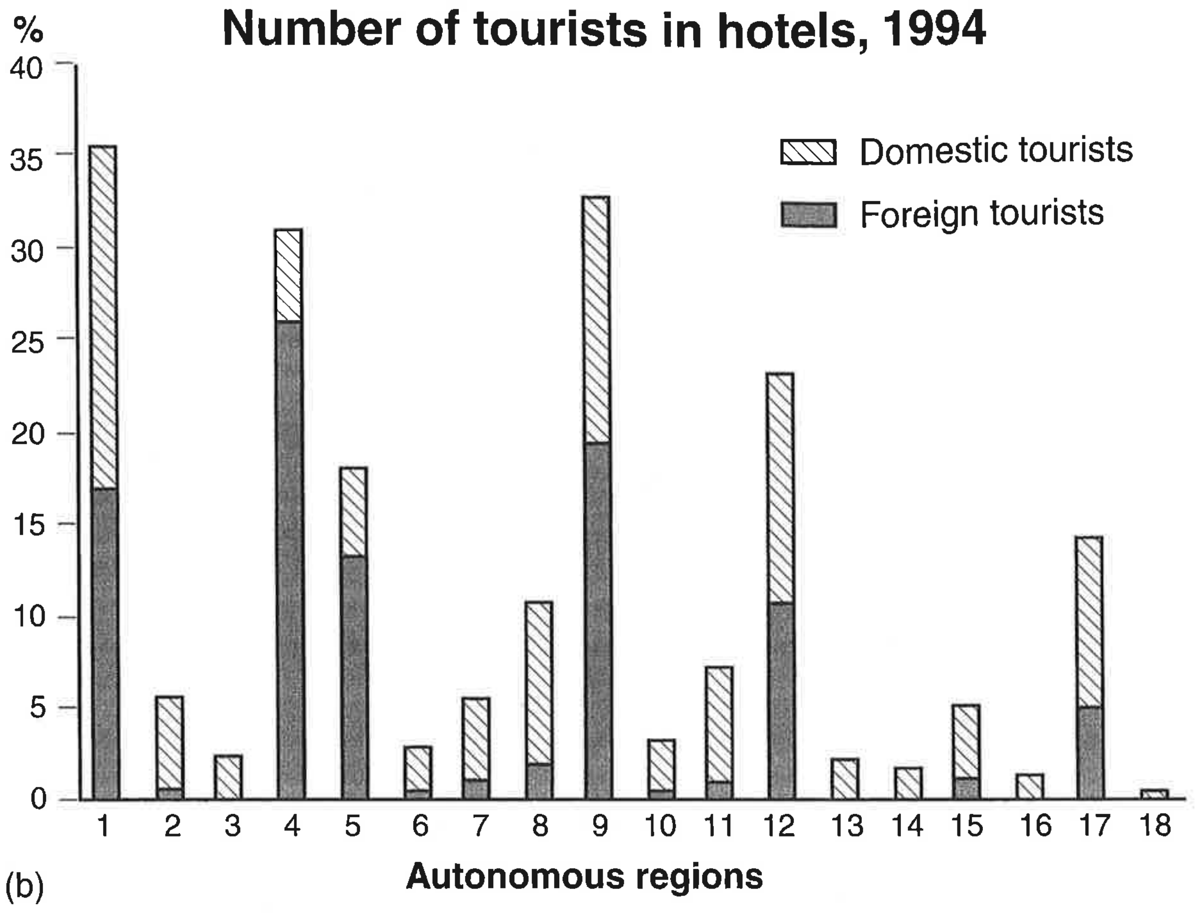

Fig. 3.2 *(continued)*

becoming more attractive for American tourists. Even European tourists have been adapting over a number of years to a more balanced distribution, and this is especially true of the French, Italians and British (Table 3.6); to some extent, there appears to be a return a much earlier period of tourism, when it seemed to be imperative for tourists to visit Granada, Seville or Toledo.

3.3 Tourism and a new territorial model of development

The Spanish regime realised in the 1960s that development of coastal tourism offered considerable economic advantages, and for this reason a number of promotional measures were introduced. There was even a special law to facilitate the creation of new tourist settlements in the zones favoured by spontaneous tourism development, the so-called 'Centros y Zonas de Interés Turistico Nacional' Act of 1963 (Valenzuela 1985). Nevertheless, state intervention was limited to sectoral actions (for coasts, marinas, natural spaces, etc.). Furthermore, no regional planning mechanisms existed, even in those areas where the pressures of congestion were strongest (for example, the Balearic Islands), so that there was no overall spatial planning framework. A high price has been paid for this lack of foresight because valuable and valued natural and tourism spaces have been lost, such as forests and fertile agricultural land. As a result, many sensitive ecological spaces have been seriously damaged or destroyed; this is the case in

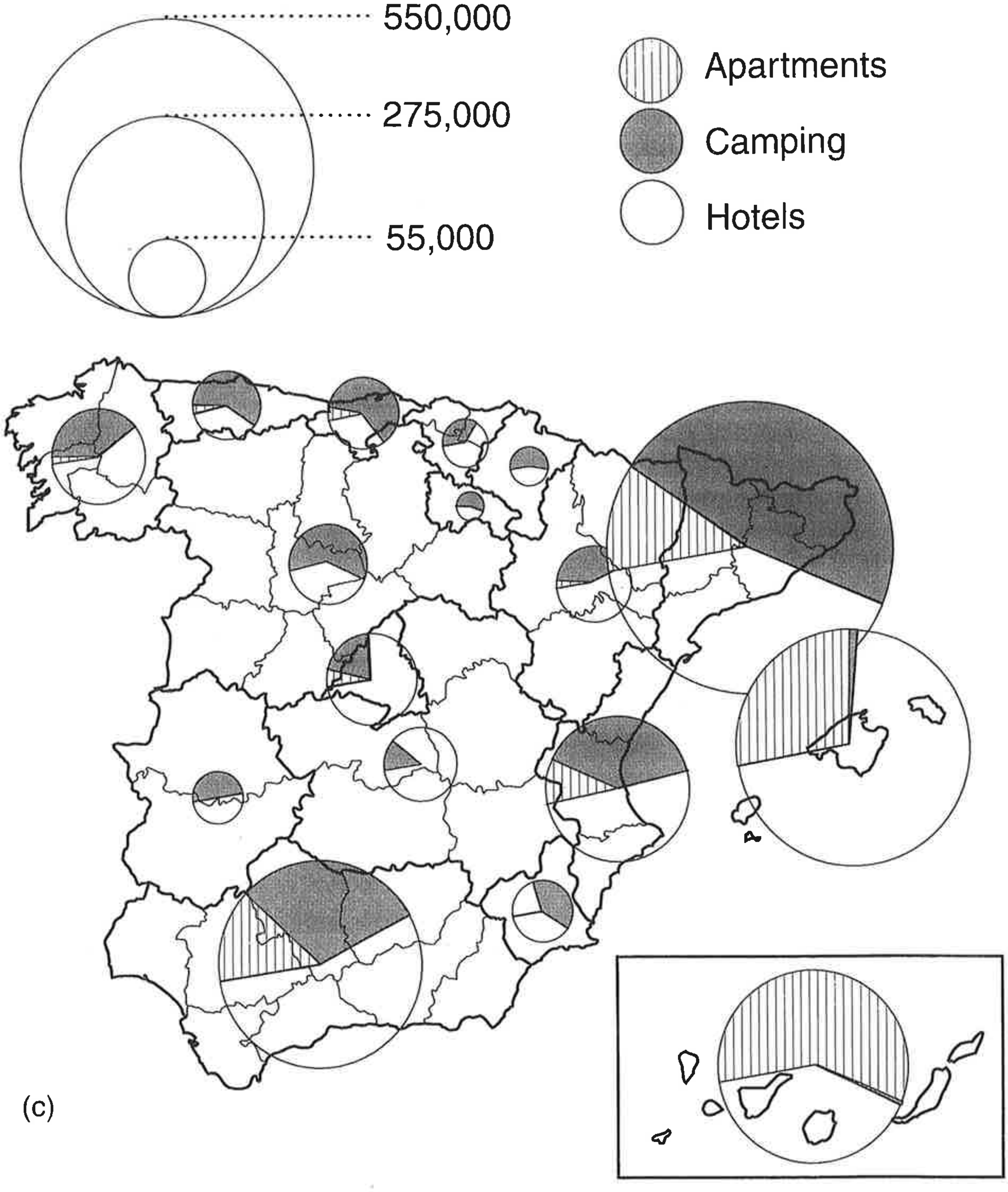

Fig. 3.2 *(continued)*

some marshland areas along the Mediterranean coasts such as the Delta del Ebro and the Valencia coast (Valenzuela 1993). For the same reason, tourism development has been accompanied by negative environmental impacts and serious shortfalls in collective infrastructure. 5.2

One of the priorities for state intervention has been the transport infrastructure so as to ensure adequate accessibility to the tourism zones. This was one of the objectives of the *Planes de Desarrollo* (1960s and mid-1970s). Although the planned coastal motorway

Table 3.5 Foreign and domestic overnights by Autonomous Regions in Spain, 1995

	Foreign tourists		Domestic tourists		Average stay (days)
	Total	(%)	Total	(%)	
Andalusia	12,669,544	12.5	10,206,393	17.5	3.4
Aragón	245,751	0.2	2,080,731	3.6	2.0
Asturias	53,188	0.1	1,031,992	1.8	2.3
Balearics	40,922,785	40.4	5,960,605	10.2	9.5
Canaries	20,676,780	20.4	4,562,007	7.8	8.3
Cantabria	137,481	0.1	999,726	1.7	2.1
Castille-La Mancha	242,499	0.2	1,391,034	2.4	1.5
Castille-León	452,066	0.4	2,956,606	5.1	1.6
Catalonia	15,091,233	14.9	8,520,446	14.6	3.9
Extremadura	98,248	0.1	940,789	1.6	1.6
Galicia	308,231	0.3	3,086,354	5.3	2.2
Madrid	3,779,852	3.7	4,630,716	7.9	2.0
Murcia	191,357	0.2	1,437,425	2.5	3.7
Navarra	74,009	0.1	523,694	0.9	1.8
Basque country	409,844	0.4	1,352,120	2.3	1.9
La Rioja	42,662	0.04	404,457	0.7	1.9
C. Valenciana	5,764,472	5.7	8,039,591	13.8	5.0
Ceuta y Melilla	21,742	0.02	156,678	0.3	2.0
Total	101,181,744	100.0	58,281,364	100.0	4.3

Source: Turespaña: Instituto Español de Turismo; unpublished data.

axis has not been yet completed (see Figure 3.1), this has directly linked the Mediterranean coast, as far as Almería, with the European motorway network. A lack of investment in motorways in north-western and interior regions has been an obstacle to tourism expansion, given that 54.5 per cent of tourists entered the country by road in 1995, even though a state-owned system of express ways has been expanded across the country. There has also been investment to upgrade and expand airports in response to the increased numbers of air-borne inward tourists (39.7 per cent of total arrivals in 1995), although the regional distribution is uneven with the Costa del Sol and the archipelagos being most dependent on air transport. New airports have been opened (Tenerife Sur) and others expanded and refurbished, as at Malaga and Son San Joan (Mallorca); in the latter case, an airport that received 12.3 million passengers in 1995 will have the handling capacity for 24 million by 2010. However, the supply of other essential infrastructures (water supply and sewers, for instance) has tended to lag behind demand. An inadequate water supply is a particular problem in the Canary Islands, where it has been necessary to rely upon sea-water desalination, especially in the case of Lanzarote.

The accommodation supply is a critical element in the organisation of tourism and is also usually the principal component of the built environment of tourism areas. In practice, the accommodation supply tends to be heterogeneous, and different forms often coexist within the same tourism zones (Morales Folguera 1982) (Table 3.7). In Spain as a whole, the official supply of tourist beds numbered 2,182,560 in 1996, representing the outcome of a long cumulative period of growth; 137,036 beds were in hotels and similar establishments (51.8 per cent), 640,829 on camping sites (29.4 per

Table 3.6 Regional distribution of foreign hotel visitors in the main tourist provinces in Spain, 1995

	Germany	Belgium	France	The Netherlands	Italy	UK	USA	Others
Alicante (C. Valenciana)	1.8	12.7	5.0	7.4	2.7	61.7	0.4	8.1
Balearic (Balearic Islands)	46.4	2.2	4.2	1.5	3.5	33.2	0.2	8.7
Barcelona (Catalonia)	19.9	2.6	6.9	11.1	8.2	15.3	4.5	31.4
La Coruña (Galicia)	18.7	2.2	10.1	2.9	8.9	9.9	6.4	41.0
Girona (Catalonia)	23.6	10.1	18.5	8.5	6.3	13.2	0.6	19.3
Granada (Andalusia)	14.5	5.9	12.8	3.6	9.1	15.3	10.7	28.0
Guipúzcoa (Basque Country)	10.8	2.9	16.3	3.6	11.2	19.0	9.6	26.6
Huelva (Andalusia)	75.2	8.2	4.6	1.2	0.5	1.9	0.3	8.1
Madrid	6.8	1.3	6.6	1.9	9.8	7.6	15.7	50.3
Malaga (Andalusia)	10.2	5.7	10.4	6.9	7.4	40.4	3.0	15.9
Murcia	25.9	6.5	8.9	4.6	4.3	22.7	2.7	24.4
Las Palmas (Canary Islands)	61.9	2.3	1.2	4.2	4.1	11.4	0.1	14.8
St. Cruz (Canary Islands)	35.8	6.6	6.1	2.6	7.9	30.2	0.3	10.7
Sevilla (Andalusia)	13.6	2.1	13.7	2.7	12.4	10.5	14.2	30.7
Tarragona (Catalonia)	19.1	13.4	9.8	15.6	2.7	27.4	0.2	11.8
Toledo (Castille-La Mancha)	10.0	3.2	19.9	3.2	9.0	9.0	15.4	30.3
Valencia (C. Valenciana)	13.6	3.4	18.4	2.6	12.9	11.9	5.0	32.1
Zaragoza (Aragón)	15.0	2.2	21.0	2.0	8.9	9.2	9.0	32.7

Source: Instituto Nacional de Estadística (1996), *Movimiento de viajeros en establecimientos turísticos.*

Table 3.7 Regional distribution of tourist accommodation (registered beds) in Spain, 1995

	Percentage of total			
	Hotels	Apartments	Camping	Tourism rate[1]
Andalusia	14.3	10.2	14.4	18,078.0
Aragón	2.4	0.3	3.3	2,352.2
Asturias	1.4	0.2	4.2	1,306.0
Balearics	23.8	25.9	0.6	16,489.6
Canaries	9.8	40.03	0.2	12,676.2
Cantabria	1.4	0.1	4.5	1,441.8
Castille-La Mancha	3.9	0.1	1.0	1,204.3
Castille-León	2	0.1	5.4	2,838.8
Catalonia	19.8	15.2	40.6	18,060.8
Extremadura	1.3	0.04	2.3	8,24.2
Galicia	3.9	0.5	4.8	3,150.6
Madrid	4.9	1.2	2.7	9,981.3
Murcia	1.3	2.1	2.1	1,141.0
Navarra	0.7	0.1	1.3	1,033.9
Basque country	1.4	0.02	1.4	1,985.5
La Rioja	0.4	0.01	0.8	346.6
C. Valenciana	7.3	3.5	10.3	6,966.4
Total	100.0	100.0	100.0	100,000.0

Source: Secretaría General de Turismo; Federación Española de Hoteles; Banco Español de Crédito (1993), *Annuario del Mercado Español* (Tourism rate).

[1] Calculated as the number of places in hotels and camping × prices × months opened during the year (Spain = 100.000)

cent), and 404,695 in registered apartments (18.5 per cent) (Figure 3.2c). In addition, there was a significant informal sector, with substantial numbers of unregistered beds; although difficult to quantify, there may be as many as 10 million lodgings, consisting of apartments and villas for rent, including some second homes. The demand for second homes by German and British purchasers is particularly strong in the Canaries, especially in south Gran Canaria (Maspalomas-Playa del Inglés). There are also concerns that Mallorca, following extensive advertising in German newspapers, will become a German 'colony' as a result of real estate transactions. In addition, an estimated 65 per cent of second home buyers in Marbella are foreigners. This highlights the fact that housing market mechanisms tend to exclude large segments of potential Spanish buyers from many resorts, who in consequence are constrained to investments in resorts such as Benidorm, Torrevieja or Gardía (Comunidad Valenciana), where property prices are lower.

One of the problems in studying the unregistered sector is that, even where ownership is known, functions remain ambiguous; for example, it is difficult to distinguish between tourism accommodation which is rented out seasonally and homes which are used by the owner and his family throughout the year. Owning a house or an apartment in a coastal resort is a widely held aspiration in all social classes. It can even be argued that ownership of a weekend home constitutes part of the mythology of what constitutes general social progress, and this partly explains recent expansion of second homes, especially in those areas which are easily accessible from the larger cities (Valenzuela 1976; Canto 1983) and in the major tourism regions (Miranda 1985; Valenzuela 1988). However, there are also issues of distorted or 'unfair' competition here, between the undeclared used of second homes for renting to tourists and the formal, registered sector.

Strong growth of foreign investment in the second-home market means that there are already more than 1.5 million foreign-owned dwellings in the Spanish coastal areas. In the period January–August 1996 alone, foreign investments in real estate and housing totalled 136 billion pesetas, and 80 per cent of these belonged to tourists. It is estimated that foreigners purchase approximately 50,000 dwellings a year in Spain. The preferred destination of foreign real estate investment is the Costa del Sol, which accounts for around one-quarter of the total, followed by the Balearic and Canary islands; 'off shore' financial bodies play an important role in channelling this investment, particularly to the Costa del Sol and above all to Marbella.

The large-scale settlement of retired foreigners on the Mediterranean coast and in the Canary Islands started in the 1970s, especially in the Costa Blanca (Gaviria 1977b) and in parts of the Costa del Sol, such as Marbella and Mijas (Jurdao 1979); it has subsequently spread over a wider geographical arena, as the ageing of the European population feeds demand. In total, there are more than 500,000 foreign-owned second homes on the Costa del Sol and the Costa Blanca; the remainder are divided amongst the Costa Brava, the Balearics and the Canary Islands. The majority of owners are British (30 per cent) or German (25 per cent) nationals. One indicator of the recent hectic round of foreign purchasing is the emergence of new types of property acquisition, such as lease-back and time-share. Both these forms of property ownership are largely controlled and organised from abroad and the lack of a clear regulatory framework in Spain is now being discussed in the Spanish parliament following an EU initiative in this sphere. Time-share is of particular concern to the hotel sector, as it competes head-on in the short-holiday market segment (one or two weeks). In the mid-1990s more than 50,000 families made use of this type of tourism accommodation, and there were an estimated 400 tourism time-share complexes.

In places, permanent foreign residents threaten to overrun the capacity of municipal services, which were designed for smaller local populations, and they are also set to become the strongest political force in future local elections, under EU franchisement regulations. This reflects more than speculation, for in Mijas (Costa del Sol) more than 40 per cent of the registered inhabitants are foreigners (see Williams *et al.* 1997). Nevertheless, the growth of second homes can help reduce the acute seasonality experienced in coastal tourism areas, as it is a major factor in determining whether tourists eventually become permanent settlers (Bosch 1987, pp. 133–6).

Tourism has contributed to urbanisation ever since the middle of the nineteenth century, when summer holidays became fashionable among the middle and upper classes. The first tourism towns, such as San Sebastián and Santander on the north coast, and Málaga, Alicante and Palma de Mallorca on the Mediterranean, developed on the basis of their climatic resources, their environmental surroundings and the role of human agency in the form of astute promotion. Alicante, for example, became known as the 'Playa de Madrid' when, after the inauguration of a direct railway link in 1858, it became fashionable with the middle classes of Madrid, not least because seabathing supposedly had healing properties (Vera Rebollo 1985). There were similar reasons for the take-off tourism in Málaga and Palma de Mallorca, whose fame as winter resorts spread across Europe at the turn of the nineteenth century.

In contrast to these older resorts, the specialised 'leisure towns' of the 1960s tourism boom are very different, for their spatial and economic organisation tend to be subordinate to tourism. Many are based on small, existing farming or fishing settlements, as in the case of Torremolinos, Benidorm or Lloret de Mar. However, some developed on new 'greenfield' sites, spatially discrete from existing municipal centres, and can be regarded as new settlements: examples include Platja d'Aro (Costa Brava) and Playa de San Juan (Alicante). Benidorm is the archtypical leisure town, its tourism development having been planned from the 1960s (Gaviria 1977a, pp. 24–31), while its enterprises—in the hotel sector, transport, retailing and other services—are totally dependent, directly or indirectly, on tourism. Benidorm, with 125,000 registered bedspaces (33,000 in hotels), receives more than 3 million tourists annually, while its permanent population is only about 47,715 (1995). In the peak season it has accommodation for 300,000 tourists but it is also one of the leisure towns which suffers least from seasonality because of its effectiveness in attracting elderly tourists out of season.

Other forms of tourism settlement also line the coast, ranging from 'marinas' linked to new sports harbours to exclusively residential urbanisations. There are extensive urban areas covering hundreds of hectares and many involve high-quality urban projects, with some even having been designated *Centro de Interés Turístico Nacional* (for example, La Manga, Sotogrande or Matalascañas). They boast high-quality residential accommodation and a variety of select sporting opportunities (golf, riding, sailing, etc.). In contrast, some urbanisations involve illegal construction on land in non-zoned areas and have critical infrastructure deficits (Diputación Provincial de Valencia 1983).

In some municipalities, new tourism settlements already occupy a major part of the total land available for development, as in Calviá (Balearics), Calpe (Alicante) or Mijas (Málaga). Not surprisingly, such areas tend to be widespread along the coastal fringes but, from the 1980s, a second group of municipalities has been incorporated into the tourism-orientated real estate market (Vera Rebollo, 1987, Navalón 1995). There is a high level of foreign capital involvement in such developments which, for this reason, have been labelled 'neo-colonialist'. Frequently, they have poorly-defined residential landscapes and this constitutes one of the major challenges to planning in these regions. Studies exist of tourist settlements on the Mediterranean coast as a whole (Zahn 1973) and of particular regions such as the Costa Brava (Barbaza 1966, pp. 618–24), and Valencia (Miranda 1985), as well as the Canary Islands (Gaviria 1974, pp. 9, 75, 383) and the Costa de la Luz (Fourneau 1979, pp. 145–61).

3.4 Economic impacts on uneven regional development of tourism specialisation

Tourism has traditionally been considered to be a means of reducing regional economic disparities, even though it exhibits extreme coastal concentration (Pearce 1981, pp. 59–60). In Spain, the economic effects of tourism have mostly been evaluated on a national scale, and there has been comparative neglect of regional perspectives until the 1980s, when the autonomous regional governments were made the competent bodies for tourism policies.

Table 3.8 Tourism and regional economic structures in Spain, 1991

	Economic impact of hotels and restaurants			
	Production (GVA)[1]		Employment	
	Million Pesetas	(%)	Number	(%)
Andalusia	446,942	6.4	115,102	6.1
Aragón	86,943	4.8	20,624	4.7
Asturias	59,113	4.4	14,723	4.1
Balearics	401,801	28.1	98,120	29.4
Canaries	277,582	13.7	67,213	13.8
Cantabria	39,988	5.9	9,458	5.7
Castille-La Mancha	64,754	3.3	19,967	3.8
Castille-León	124,298	4.0	36,838	4.4
Catalonia	602,606	5.6	131,586	5.6
Extremadura	38,812	3.8	12,528	4.3
Galicia	159,792	5.1	41,678	4.3
Madrid	539,823	6.0	106,495	5.8
Murcia	50,097	4.1	12,385	3.8
Navarra	35,547	4.2	8,825	4.5
Basque country	121,035	3.7	28,016	4.0
La Rioja	15,085	3.8	3,855	3.8
C. Valenciana	312,578	5.6	74,548	5.4
Ceuta and Melilla	5,678	3.7	1,590	4.2
Total	3,382,474	6.2	803,551	6.1

Source: Banco Bilbao-Vizcaya (1993); Instituto Español de Turismo, unpublished data.

[1] Gross value added.

3.4.1 Tourism as an instrument of change in regional economic structures

Tourism may benefit production and employment creation in a region by means of three multiplier effects—direct, indirect and induced linkages (Lecordier 1979). However, econometric techniques have not yet captured the full extent of the structural change which occurs in the productive structures of tourism regions. Input–output tables for tourism regions, such as Andalusia or the Canary Islands, do serve to underline the importance of tourism. Nevertheless, it has not been possible to assess fully the impact of activities such as air transport, which are closely connected with mass tourism. Similarly, the full impact of tourist expenditures is not known except for the direct contracts between tour operators and hoteliers. Furthermore, it is difficult to estimate the multiplier effect of tourist expenditure because of the high import propensity in consumption (Rodríguez Marín 1985, pp. 253–61). However, it can be stated that the regional economic effects of tourism broadly reflect contrasts in tourism supply and demand, and this is confirmed by the contribution of the regions to Spain's total gross value added (GVA) from more easily identifiable tourism sectors such as hotels and restaurants (Table 3.8).

The sector of tourism which has been most thoroughly researched is hotels and restaurants, not least because of data availability. The Balearics (28.1 per cent) and the Canary Islands (13.7 per cent) stand out for their contribution to regional production, measured in terms of GVA. The impact of tourism is less clear in larger regions, such as Andalusia, or in diversified economies, such as Catalonia or Valencia, where the weight of the hotels and restaurant sector in the regional economy hardly differs from the national average. Yet, at the provincial level, tourism contributes 9 per cent of GVA in Gerona (Costa Brava) and 10.5 per cent in Málaga (Costa del Sol).

Hotels and restaurants have considerable intersectoral links. In Andalusia, for example, input–output analysis has shown that they impact strongly on the regional economy, not only in terms of GVA (61.2 per cent of production) but also because of a low level of import propensity from outside the region (Cuadrado and Aurioles 1986, pp, 57–8). In Valencia, input–output analysis has shown that hotels and restaurants are the branch of the service sector which possesses the greatest propulsive power for the regional economy (Denia and Pedreño 1986, pp. 394–5).

The effects of tourism on real-estate activity are of particular geographical interest, even if the economic benefits are more questionable owing to partial leakage of the income generated by land and property sales. Among 'local' agents, large landowners have captured a large share of gross benefits, either from agricultural land sales to developers or by becoming promoters themselves. However, the resulting value added hardly benefits the economy of the tourism region, as the landowners are mostly absentees (Mignon 1979, pp. 69–72). There have been even greater benefits for the developers, who have commercialised either rural land in the expectation of development or land already subdivided into plots for development, or who have converted existing buildings for tourism-related businesses. All these various forms of real estate transactions have attracted investment from the wealthiest regions (Madrid, Catalonia and the Basque country) and from abroad.

In the Canary Islands, German investment has been responsible for the development of one of the most distinctive leisure towns in Spain (Maspalomas-Playa del Inglés, in Gran Canaria). The initial stimulus for this was the fiscal advantages provided for West German investment in 'underdeveloped countries' by the 1968 Strauss Act (Rodríguez Marín 1985, p. 265). More recently, German capital has diffused throughout the archipelago, although it is currently most active on Lanzarote, developing leisure towns such as Costa Teguise and Puerto del Carmen. The potential for realising profits from tourism-related real-estate business has provided a strong stimulus for the building trade, especially on Tenerife, where it has been responsible for most construction. The origin of investment in real estate on the Costa del Sol is more diversified but German, Belgian, British and French capital have secured a larger share of the benefits than has Spanish capital, not least because of the national priority accorded to foreign exchange earnings in the face of an endemic current account deficit.

Tourism does not always have net positive regional economic effects. There is intense conflict along the Mediterranean coast between tourism and traditional economic activities such as fishing, salt mining and, above all, agriculture. Tourism competes for land, water and labour, usually to the detriment of these other activities. Another consequence has been the farm labour shortages in the hinterlands of the tourism zones and this has hindered agricultural commercialisation (Mignon 1979, pp. 127–9). The implications are even graver if account is taken of the way that these other activities have, over the centuries, shaped a cultural space which is valued, fragile and of great scenic importance. Furthermore, the imprudent exploitation of water resources threatens the survival of intensive agriculture (fruit trees, early vegetables, sub-tropical products, etc.) on the Costa del Sol, in Almeria and on the Canary Islands.

Agrarian structures have literally been torn apart as residential settlements have invaded fields and vineyards, as, for example, at Marina Alta in Alicante.

Prior to the 1990s no overall framework was available for tourism development in the form of a plan which was informed by the principles of environmental preservation and complementing traditional economic activities. There is an economic logic for such plans, for many complementary activities are profit-yielding and are competitive in EU markets. Agricultural activities can also be viewed positively from a tourism perspective, for they create valued landscapes and supply consumer products which help to reduce the propensity to import; the latter is a particularly acute problem in the archipelagos (Salvá 1984, p. 227). All of this highlights the urgent need for the regional authorities (the competent bodies, at present, for regional planning) to establish clear criteria for the spatial zoning of tourism and other activities in the coastal areas, following the principle of complementarity. The production of White Papers on tourism in some regions in the 1980s (Catalonia, the Balearics and Andalusia) has indicated a shift in this direction, although they have not been very effective. At the same time, many coastal municipalities have modified their urban planning practices in order to avoid further losses of fertile agricultural land (Valenzuela, 1986a). On the other hand, there are concerns that stricter territorial controls may deter tourism investment.

In response to changing market conditions in the 1990s, which include more environmentally-sensitive tourism demand, there has been a revision of the institutional framework for tourism and for enhancing the tourism product, in order to improve competitiveness. The lead was taken by the Central Government through the FUTURES Programme (1992), which had the goal of increasing competitiveness by prioritising quality; this implies a commitment to reducing over-dependence on mass low-price coastal tourism, which has paid scant attention to environmental issues and plant obsolescence. This programme was formally agreed by all the Autonomous Communities (AA.CCs), that is the regions, and their responsible tourism bodies have been putting into effect sectoral plans with a long-term quality orientation. Examples of such operational plans are provided by the Andalusian Plan DIA and the Balearic *Plan de Ordenación de la Oferta Turística* (1995), the aim of both of which was to enhance environmental quality in the tourism zones and the quality of the tourism product (Pearce 1996, p. 130).

3.4.2 Tourism and regional labour markets

There have been considerable demographic changes in the provinces of mass tourism, which have had above-average population growth rates between 1960 and 1991 (the date of the last census) (Table 3.9). Girona is an exceptional case, with the population multiplying almost threefold in this period. Demographic growth has mainly been a consequence of in-migration, and by 1991 in-migrants already accounted for 25–30 per cent of the resident populations of the single-province tourism areas (Costa Brava, Costa Blanca and the Balearics). There is a distinctive regional patterning of labour migration flows; migrants from Murcia have a preference for neighbouring Alicante, which has also attracted in-migrants from the eastern provinces of Andalusia (Granada and Jaen) and from Castille-La Mancha (Albacete, Ciudad Real, etc.). Andalusia and Murcia are also the dominant sources of migration to the Balearics, while the most underdeveloped provinces of Andalusia (Granada and Jaen) provide the less-qualified

Table 3.9 Demographic evolution in the main tourism provinces of Spain, 1960–1991

	Number of inhabitants		Increase	
	1960	1991	Absolute	1960 = 100
Alicante	711,942	1,292,563	580,621	181.6
Balearics	443,327	709,138	265,811	160.0
Gerona	177,539	509,628	332,089	287.1
Málaga	775,167	1,160,843	385,676	149.8
Santa Cruz de Tenerife	490,655	725,815	235,160	147.9
Spain	30,430,698	38,872,279	8,441,581	127.7

Source: Instituto Nacional de Estadística (1960, 1991).

labour working in hotels and catering on the Costa Brava. The three provinces mentioned above are among the first ten ranked with respect to volume of in-migration, 1961–1982, although the largest contingent arrived between 1962 and 1973 (Santillana 1984, p. 29).

Migration to the tourism zones in the less-developed regions (Andalusia and the Canary Islands) has a different pattern. The coastal regions of Málaga province (the Costa del Sol) have received a major part (40 per cent) of their inmigrants from the province itself, with most (33 per cent) of the remainder originating elsewhere in Andalusia. Marbella and Fuengirola have probably experienced the greatest demographic increases as a result of this migratory process (López Cano 1984, p. 74). To some extent the impact of tourism development on regional labour markets can be deduced from the increasing weight of the tertiary sector in the economies of the tourism provinces. Hotels provide the most obvious examples of direct tourism employment, although this type of accommodation is now in decline. Table 3.10 shows the distribution of hotel jobs by region, differentiating maximum (more than 50 per cent of which is seasonal) from permanent employment. These figures highlight the extent of seasonality in hotel employment which, in the low season, can fall to only one-fifth of that in the peak season in the Costa del Sol and the Balearics, and to 30 per cent in Alicante. Only the Canary Islands have no pronounced seasonality in tourism labour markets.

The regional distribution of hotel and restaurant employment is indicated in Table 3.10 (see also Figure 3.3). This type of employment is dominant only in the smaller regions and in specialised tourism areas, attaining 29.4 per cent in the Balearics. In Alicante, hotel and restaurant jobs represent only 6.0 per cent of the total, in Málaga 11.5 per cent and in the Canary Islands 13.8 per cent. However, these relatively modest figures do not reflect the real extent of labour market dependence on tourism, given the extensive multiplier linkage effects of this sector. This is exemplified by construction; in the more tourism-orientated provinces (indicated in Table 3.11), with the exception of Alicante, the share of total employment in construction is 1.5 points above the national mean, reaching a maximum in Málaga (12.0 per cent).

It is also possible to assess the overall contribution of tourism to improving standards of living and family income. Tourism is directly responsible for the Balearics and Gerona occupying, respectively, first and second place in the ranking of the 50 Spanish provinces in terms of per-capita incomes, according to the latest issue (1993) of the *Renta Nacional de España*. The situation in Alicante is less clear but family income is still 6 per cent higher than the national average. Traditionally, Tenerife and Las Palmas

Table 3.10 Regional distribution of hotel employment in Spain, 1994

	Permanent employment		High season employment	
	(No.)	(%)	(No.)	(%)
Andalusia	9,073	17.5	8,134	15.3
Aragón	1,492	2.9	1,133	2.1
Asturias	772	1.5	342	0.6
Balearics	4,554	8.8	13,778	25.8
Canaries	8,265	16.0	7,679	14.4
Cantabria	524	1.0	440	0.8
Castille-La Mancha	1,357	2.6	902	1.7
Castille-León	2,799	5.4	1,547	2.9
Catalonia	6,061	11.7	8,126	15.2
Extremadura	832	1.6	747	1.4
Galicia	1,785	3.4	1,487	2.8
Madrid	7,774	15.0	2,189	4.1
Murcia	705	1.4	778	1.5
Navarra	550	1.1	354	0.7
Basque country	1,555	3.0	750	1.4
La Rioja	290	0.6	245	0.5
C. Valenciana	3,333	6.4	4,596	8.6
Ceuta and Melilla	147	0.3	89	0.17
Total	51,868	100	53,334	100

Source: Secretaría General de Turismo (1995), *El empleo en el sector hotelero, 1994*.

(Canary Islands) were considered to be economically disadvantaged provinces, but tourism has contributed to an improvement in their positions to 23rd and 29th place, respectively. The effects of tourism on standards of living in particular communities is more difficult to assess; however, in Valencia the most tourism-orientated municipalities tend to occupy leading positions in ranking of municipalities in terms of per capita incomes (Esteban and Pedreño 1985).

3.5 New directions for Spanish tourism: seeking quality and diversity

The excellent outcomes of the tourism seasons in the mid-1990s, as shown earlier, have not eliminated the structural problems which have traditionally characterised the Spanish tourism sector: the seasonality of demand and spatial concentration, as well as the loss of competitiveness compared to its direct Mediterranean and Caribbean competitors. Different measures and policies have been, and are being, adopted to ameliorate these structural problems and the loss of quality, obsolescence in some sectors and rising prices, but these have had uneven results. Spanish tourism faces a dilemma for there is a strategic choice to be made between, on the one hand, further growth of low–middle market hotels and apartments concentrated along in the coastal areas, or quality improvements and greater spatial diffusion with enhanced economic benefits.

As already indicated, the upgrading of the tourism industry requires more far-reaching developments both inside and outside the hotel and apartment sector. Many

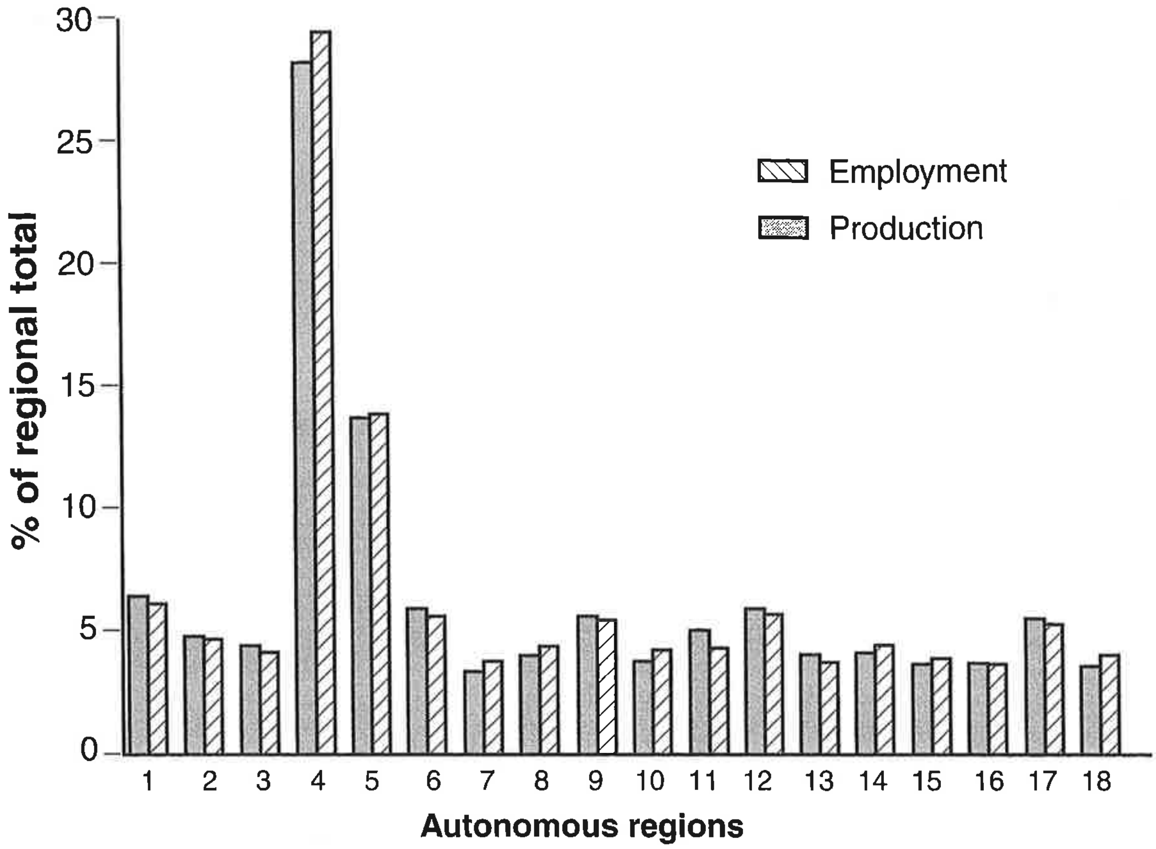

Fig. 3.3 Economic contribution of hotels and restaurants in Spain's autonomous regions in 1991

Source: Instituto Nacional de Estatística (1995), *Movimento de viajeros en establecimientos turísticos*; Banco Bilbao-Vizcaya (1993)

Table 3.11 Employment linkages of tourism in specialised tourism areas in Spain, 1991

	Tertiary sector		Building industry		Hotels and restaurants	
	Employment	(%)	Employment	(%)	Employment	(%)
Alicante	235,669	54.5	42,115	9.7	26,102	6.0
Balearics	251,693	75.4	33,980	10.2	98,120	29.4
Gerona	140,052	59.0	24,639	10.4	29,551	12.5
Málaga	216,983	69.0	37,820	12.0	36,220	11.5
Santa Cruz de Tenerife	175,552	73.4	25,770	10.8	27,180	11.4
Total	7,774,193	58.7	1,284,142	9.7	544,337	4.1

Source: Banco Bilbao-Vizcaya (1993).

interest groups are now demanding such changes. Rediscovering the traditional quality of service is an example of such changes and this has to be linked to improved professional training, which has become part of the responsibilities of the AA.CCs. It is also important not to neglect the quality of the complementary supply in aspects such as infrastructure (roads, telephones, sewage, etc.) and services, as well as the environment and landscape of the tourism resort. Supply-side improvements also require diversification, with the development of sport and leisure facilities in and around the tourism resorts, so as to make golf, riding or sailing more widely accessible rather than being the preserve of a small élite of wealthy customers. In the same way it is assumed that traditional seaside tourism should be linked to inland tourism, based on the attractions of a rich cultural and natural landscape. The extent to which these changes have been effected will be considered in the following pages.

Some progress has been made in the upgrading of coastal tourism in Spain. Preservation of unspoilt coastal landscapes and restoration of less seriously damaged ones were major aims of the *Ley de Costas*, approved in 1988. This established free public access to all the beaches, dunes, cliffs and marshes adjacent to the sea and prohibited any new construction within 100 metres of the shore. An important role has also been played by the former *Ministerio de Obras Públicas y Urbanismo* (*Ministerio de Fomento* from 1996) in the restoration of beaches on some coasts where the sand had almost disappeared (e.g. the Maresme coast in Catalonia). In this region the sea-front of Barcelona was designated for tourism and leisure uses, as part of an urban restructuring plan to improve urban tourism facilities for the 1992 Olympic Games. Similarly, in Andalusia, the decision to hold a World Exhibition at Seville in 1992 has been the catalyst for improvement of the entire Huelva Coast (Costa de la Luz), situated an hour from Seville. Since 1993 there has been a *Plan Director de Infraestructuras* (1993–2007); one of its major aims is to promote integrated coastal management, orientated to sustainable use of these areas. In addition to this rather idealised goal (which is very difficult to attain given the current starting point), the plan foresees the realisation of new infrastructures, mainly for transport. Linked to this, a new *Plan de Actuaciones en la Costa 1993–1997* has been approved. Thanks to these measures, and those adopted by the AA.CC, municipalities and *mancomunides* (associations of municipalities for cooperation in specialised areas, such as tourism promotion), Spain has been able to achieve Blue Flag status for a large number of its beaches: 329 in 1996 as against 168 in 1991.

3.5.1 New institutional forms of tourism organisation: the protagonism of regional power

An important political shift took place in Spain during the 1980s: the establishment of the regional autonomous governments which became responsible for tourism policy within their own territories. Consequently, the role of Central Government has been reduced and its main responsibility has been the international promotion of Spain as a tourist destination, although even in this it acts in cooperation with the regional and local institutions and the entrepreneurial sector. The State also has responsibility for overviewing the evolution of the tourism sector, and for evaluating its main weaknesses and strengths, with a view to establishing an overall strategy (Secretaría General de Turismo 1990). In addition, it is charged with management of some singular nationwide tourism facilities, such as the network of *parador* hotels and some congress and convention palaces (Madrid, Torremolinos, etc.). While tourism had a specific ministry during Franco's regime, it now has a different administrative status; since 1996 the central body responsible for promoting tourism is the Instituto de Turismo de España (TURESPAÑA), which is located within the Ministry of Economy and Finances.

In the 1990s every AA.CC has the right to pursue its own promotion and regulation of tourism but is not always empowered to solve all the specific problems related to this, such as the provision of infrastructure and the quality of beaches and sea water. These exclusive regional rights in respect of tourism carry the risk of creating confusion amongst customers and tour operators. Consequently, the regional approach may give rise to a lack of uniformity and compatibility that potentially could limit the development of tourism in Spain and weaken the country's image as a tourism destination. Furthermore, the regional rivalry in what is essentially the same international market may also be an obstacle to tourism development. This situation becomes even more complicated when local scale or locally-based political organisations (*Diputaciones Provinciales, mancomunidades*, etc.) also compete in the promotion and development of tourism.

While all the AA.CCs agree on the need to upgrade and diversify the tourism supply in order to enhance competitiveness, each region has chosen its own way to pursue these goals. After drawing up White Papers in the early 1990s, many regions (Catalonia, Andalusia, Valencia, Balearic Islands) have progressed to issuing specific plans and programmes and even to enacting tourism laws: examples range across the many different forms of tourism areas, including the Mediterranean (Plan DIA in Andalusia), the northern region (Galicia) and inland (Junta de Castilla y Leon, 1996). Promotion and planning of tourism has been incorporated within the new regional governments as a part of larger departments (*consejerías*), usually as a General Directorates, except in the Balearics where a separate department for tourism has been created. Specialised agencies to channel and market the growth of tourism have also been created, such as the Balearic IBATUR (*Instituto Balear de Turismo*), the Andalusian *Empresa Andaluza de Turismo* and the Valencian *Institut Turistic Valencià* (ITVA). The extent to which all the AA.CCs agree on the need to enhance the quality of the tourism product and to discover new tourism strategies is exemplified by the fact that they have all signed the FUTURES Programme for the upgrading of the Spanish tourism supply. This incorporates five specialized plans, dealing with different targets, ranging from coordination and modernisation of the tourism supply to developing new products (Leno Cerro, 1997). Of particular note is the specialised plan devoted to improving the tourism environment in order to regain standards of excellence which are more in harmony with the growth of more responsible tourism, both in foreign and domestic markets. One of the most outstanding results of this policy has been an extensive collection of *Planes de Excelencia Turística*, understood as a set of measures for the regeneration of mature tourist resorts, which expanded rapidly during the period of 'hard' mass tourism in the 1970s and which are located both on the Mediterranean coasts (Torremolinos, Gandía, etc.) and the islands (Calviá, Puerto de la Cruz, etc). The municipality of Calviá (Mallorca) has been engaged for some years in a wide programme of actions (reducing densities, eliminating obsolescent buildings and opening up new green areas and services) tightly linked to the idea of sustainable development, as formulated by Agenda 21 of the Rio Conference (1992).

At a lower political level, many provinces, through their own institutions (*Diputaciones Provinciales*) and the municipalities, singly or integrated into intermunicipal organizations (*mancomunidades*), have made tourism the main instrument of their strategies for economic restructuring and especially for generating employment. This is particularly acute in the case of some northern regions such as Asturias and Cantabria, which are striving to establish their position in the tourism market (mainly the domestic segment), offering new kinds of alternative tourism based on their landscape, culture and gastronomy and even their recent industrial and mining heritage (for example, Museo de la Minería at El Entrego, Asturias). Tourism development is therefore seen as a means of counterbalancing the process of decay suffered in their traditional economic bases (heavy industry, mining, fishing or shipbuilding). The rural interior regions are converging in the promotion of their enormous cultural and rural heritages, even if their tourism images lack efficacious marketing. Exceptional efforts have been made to promote them as tourism destinations in both Castilles, that is to the north and south of Madrid. Castilla-León has its own tourism development plan. For many areas in the interior, with the obvious exception of Madrid Metropolitan Region, with a population of more than five million, tourism is seen as the only possible strategy for combating depopulation and maintaining economic activity at a level sufficient for their territorial survival.

3.5.2 New tourism products for a new tourism industry

The strengthening of the tourism products has been one of the principal concerns of Spanish tourism policy in the 1990s, and this has mainly involved the implementation of the FUTURES Programme (Figure 3.4), whose major objectives are:

- To mitigate the strong seasonality of tourism.
- To diversify the tourism product, which has been excessively dependent on the 'sun and beach' attractions.
- To respond to the emergence of more qualified demand requirements, in both the interior and the coastal regions.
- To create new economic development opportunities and social welfare in depressed interior urban areas.

The various tourism initiatives can be considered under three headings: the restructuring of mature tourism destinations; developing the potential for new forms of urban tourism; and innovations in rural tourism.

3.5.2.1 The restructuring of mature tourism destinations

There is consensus amongst expert commentators that the policy priorities should be to broaden out the base of seasonal demand, and secure higher-spending customers though improvements to the quality of supply. During the 1980s some improvements in seasonality were secured though the retirement boom to Alicante and the Costa del Sol. More recently (1985), a national specialized state social services agency (INSERSO) has been established, which has a responsibility for channelling the social (out of season) travel organised for elderly, low-income people to those areas with the most marked tourism seasonality. This policy serves the twin goals of enhancing the quality of life of older people, and helping to maintain tourism employment during the low season. The Third Age Holidays Programme has offered 360,000 beds for the 1995–1996 season alone. Between October and April, those aged over 65 can travel to and stay for 14 days, at very low prices, in any one of a designated list of seaside resorts. In addition, since 1989–1990, INSERSO has had a programme of spa tourism, which offers pensioners access to two weeks' holidays at some 30 spa resorts located thoughout Spain.

There has been greater progress in improving availability in the mature tourist destinations of complementary recreational activities which are essential for attracting

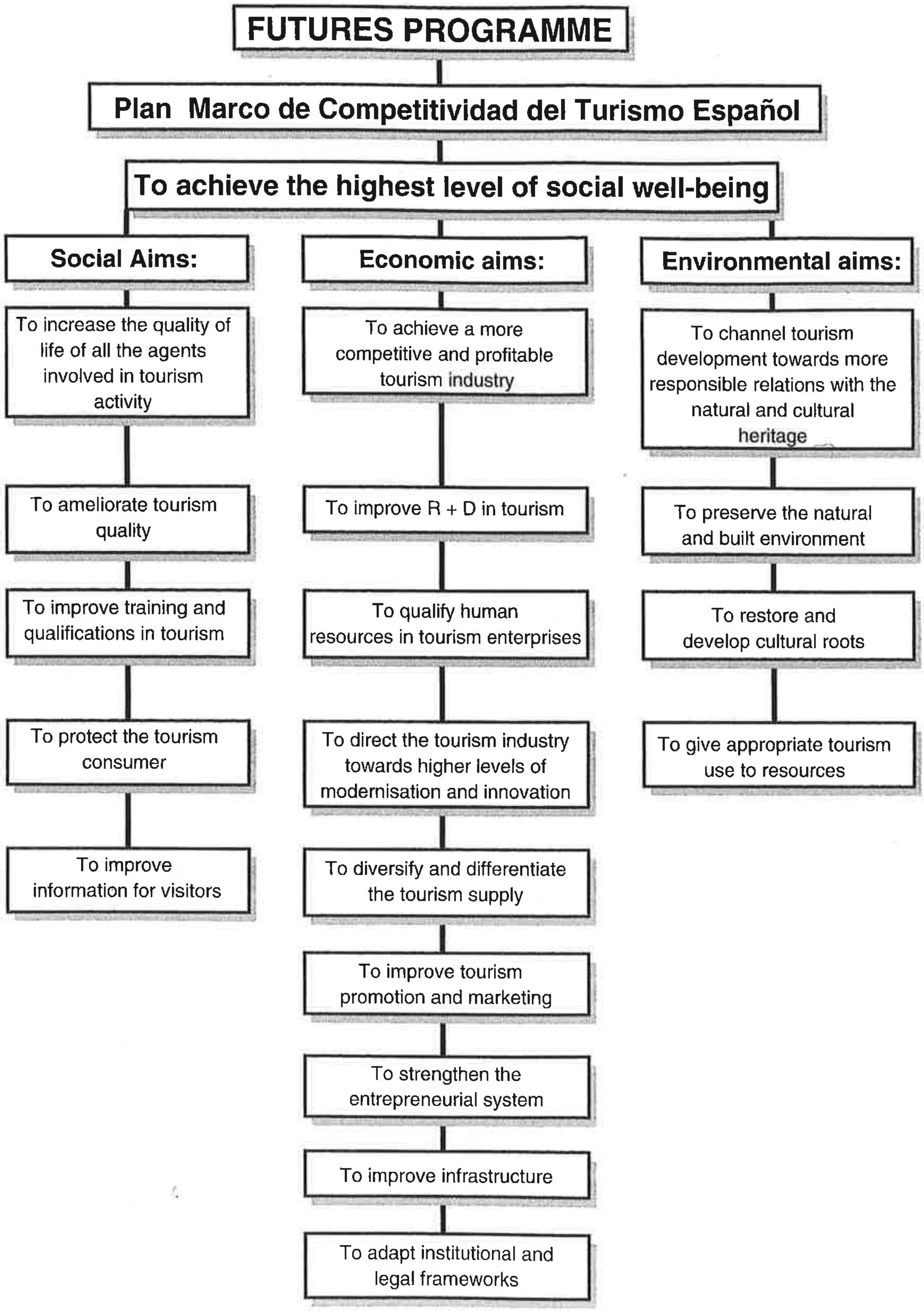

Fig. 3.4 Basic aims of Spain's FUTURES programme, 1992
Source: Secretaría General de Turismo

higher-income and more activity-orientated tourism. In the hotel sector, there have been programmes to develop provision of integrated services, including sport and organised leisure activities. Moreover, specialised tourism is being increased through the promotion of particular interests (for example, painting and computing); Club Méditerranée has been a pioneer in this, and the approach has been imitated elsewhere, with the mushrooming of club resorts (Gutiérrez 1985, pp. 157–67). The same motivation underlies the opening of a large number of amusement parks, such as the aquaparks which are widely scattered along the Mediterranean coast. Of particular note is the Disney-like theme park Port Aventura (near Salou in Tarragona province), which has been a major commercial success, not only during the high season but also as an instrument to combat seasonality. Seville is destined to become the location of a second major theme park, the Isla Mágica, devoted to historic relationships between Seville and America; this has been open in 1997. With a budget of 13,356 million pesetas, it is expected to generate 1,000 jobs and to attract some 2 million visits annually, 15 per cent of whom will be tourists. Isla Mágica (Magic Island) will introduce the visitor to the same historic background (the age of discoveries) that was used as a theme in the 1992 World Exhibition in Seville, and is often held to have been the first urban theme park in the world.

The provision of selective sports facilities is an important component of any strategy to attract middle- and high-income tourists (Esteve 1986, pp. 237–66). One response has been a tendency to link golf courses to luxury hotels (for example, the Parador de 'El Saler' near Valencia) or to large residential-tourism developments such as Nueva Andalucía (Málaga) and Almerimar or La Manga Club in Murcia (Ortega Martínez 1986, pp. 44–5). In the same way, marinas have been a critical promotional attraction for many residential complexes, sometimes incorporating traditional Mediterranean architecture (for example, Marina de Benalmádena in Costa del Sol). Without doubt, the Costa del Sol has the finest and largest number of sports facilities, linked to the development of residential areas and high-quality tourism (Valenzuela 1982); for this reason, it has been called the 'Costa del Golf', a promotional slogan which was acknowledged by the Rider Cup organisers when the region hosted the event in 1997, the first time it had been held outside of the USA and the UK. In any case, golf resorts have become widely spread throughout almost every tourism area, including the inner and northern regions of Spain. Conceived of as a luxurious and exclusive small residential estate, strategically situated around a golf course with the complementary facilities (hotel, club, restaurant, etc.), the golf resort has been taken up by developers as an ideal response in the search for high-quality tourism, irrespective of associated social (exclusion) and environmental problems (lack of water).

Another element in the expansion of quality tourism is 'talasotherapy', which has a long-established tradition in a number of internationally famous coastal tourist centres (Estoril, Knokke, etc.). In Spain 'talasotherapy' has been practised since the late nineteenth century at a number of coastal resorts (Cadiz, Málaga, Alicante, etc.) and even for low-income consumers (as at Mar Menor). At present, the wealthiest tourist have access to specialised luxury facilities, as at the Biblos Hotel (Mijas), but there is also provision for middle-income clients at hotels such as the Meliá Costa del Sol (Torremolinos). There will probably be increased demand for cure-bathing in the future as the European population ages and third-age tourism continues to expand. A similar trend can also be observed in the case of inland balneotherapy. After many years of decay, spa tourism now constitutes a dynamic element of tourism supply in the interior of Spain, and is especially attractive to middle-class, educated tourists who are seeking a quiet, peaceful and healthy atmosphere. Some historic spa resorts (such as La Toja, Galicia) have opened a new page in their market acceptance but the majority survive only by virtue of social tourism, having become destinations for the third-age holiday programmes financed by INSERSO, which performs a similar function in respect of sea-side resorts, as previously mentioned.

3.5.2.2 The potential for new forms of urban tourism

Since the 1960s the Spanish central administration has also invested in the construction of exhibition and conference halls in order to diversify the tourist industry. This has been supported by many hotel-owners who are able to offer high quality facilities for conferences and conventions, or benefit more indirectly from the high-spending propensity of conference tourists; this type of tourism also responds to the double challenge of improving quality and reducing seasonality. In the 1990s there is a real problem of the oversupply of exhibition and congress facilities, which may cause new problems for their current owners. Nevertheless, congress and exhibition tourism do have considerable potential in many inland and urban destinations. The new regional and municipal authorities have become very active as promoters of conference centres; many of these have been designed by famous architects, such as Siza (Santiago), Moneo (San Sebastián) and Bofill (Madrid). However, in some instances they have been highly politically contested, as has happened in Cantabria. In some regions, such investments have been used as instruments to counterbalance the over-concentration of economic and political power in the regional capital; this is the case in Castilla-León, where Salamanca has been chosen as the location for a conference centre, so as to balance the power of the regional seat of government, Valladolid. However, in general, conference tourism tends to be concentrated in the larger cities and capitals, which have a high density of institutions and other decision-making centres, which generate specialised information flows and demands for meeting places. This partly accounts for the strong competition amongst cities and the promoters of particular facilities, both public and private, to attract this type of quality tourism. The potential conflicts have partly been resolved through a partnership arrangement, the creation of the Spanish Convention Bureau, involving 27 local convention bureaus in 1995. The dominant conference cities are Madrid, Barcelona, Seville and Valencia, and most of the others probably lack sufficient demand to become economically viable. By far the most important centre is Madrid, which accounts for one-third of all events held in Spain, and was ranked fifth, at the international level in 1995, as seat of international conferences, with a 3 per cent market share. The Madrid Congress Palace, managed by Turespaña, hosted 139 events in 1996 with a global participation of 130,000 visitors (Turespaña: Instituto de Turismo de España 1997).

The major cities are also the only ones with the capacity for hosting major fairs and exhibition complexes (with more than 100,000 m^2 of sheltered surface area). In Spain as a whole, there are 20 fair institutions which are organised under the umbrella of the *Asociación de Ferias Españolas* (AFE), founded in 1964. Four fair and exhibition complexes (Madrid, Barcelona, Valencia and Bilbao) alone account for 800,000 m^2 of covered surface area, which gives them effective control of the fairs and exhibitions market. The attractions of such centres are clear; not only does business tourism have a far higher level of spending than leisure tourism, but its benefits are widely distributed

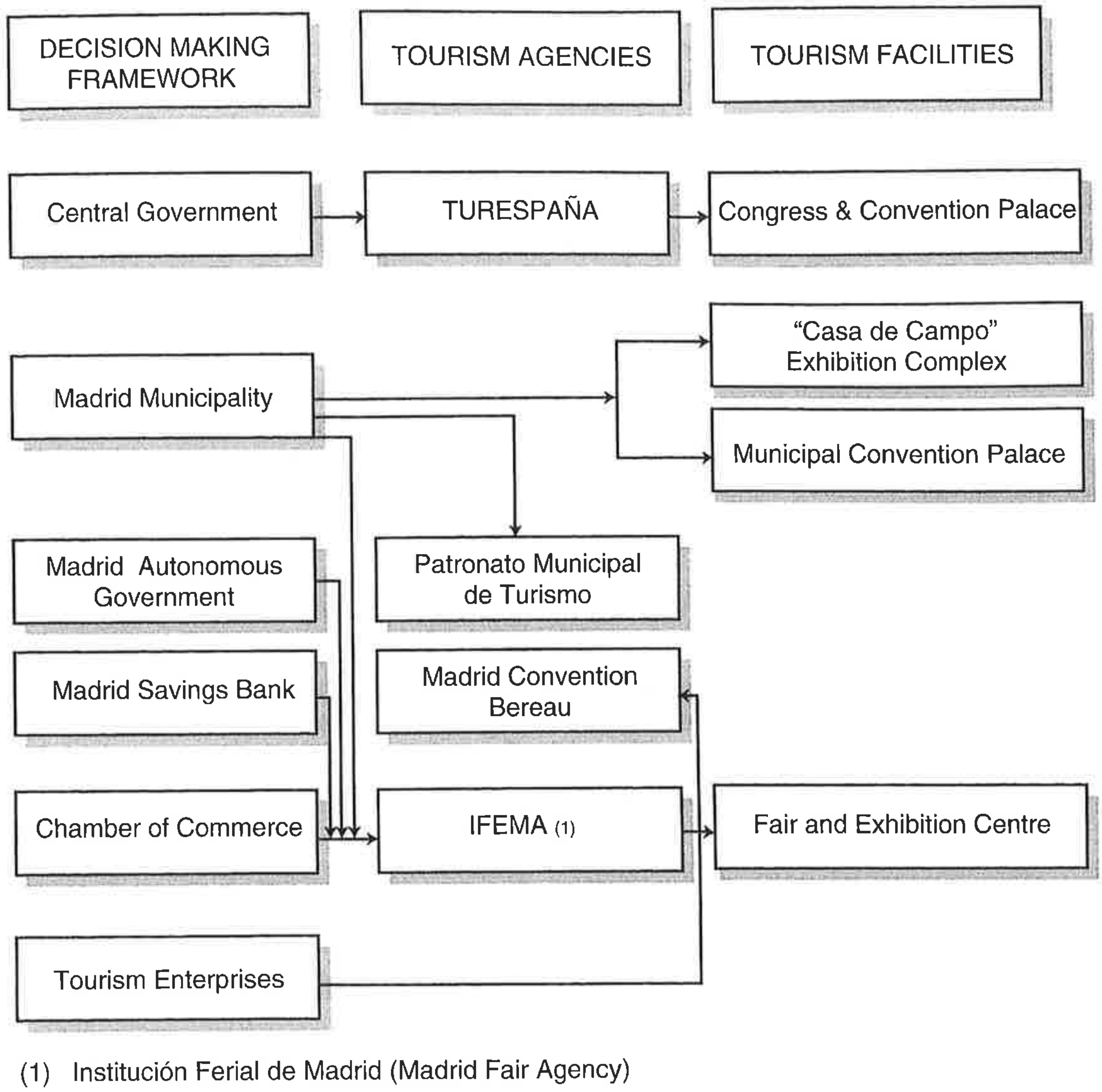

Fig. 3.5 Framework of business tourism in Madrid

Source: Adapted by the author from various sources

throughout the urban economy, including commerce, leisure and culture. This is why the ideal business organisation needs to be a partnership involving all these different elements; Madrid provides a model of such a partnership (Figure 3.5), where IFEMA (*Institución Ferial de Madrid*) is the owner of 130,000 m^2 of exhibition facilities which are located in a large tertiary estate which also houses supporting services for business tourism, including hotels, a congress palace (owned by Madrid municipality and managed by the public enterprise Campo de las Naciones) and a golf course (Valenzuela 1992).

Events and mega events tourism supposedly have similar effects on urban economic development and employment creation, the assumption being that this kind of tourist normally has a high level of spending power. 1992 can be considered to be the starting point for a sequence of mega urban events in Spain, which have had considerable significance in terms of both economic and urban development; in that year three important events took place—the World Exhibition (Seville), the Olympic Games (Barcelona) and designation as European Cultural Capital (Madrid). The event which generated the largest tourism flows was Seville Expo 92; according to official data sources, there were 41.8 million visitors in total, which implies a daily mean of 237,582 in the period 20 April–12 October. In reality, the impacts of mega events in terms of economic benefits and stable employment creation are not always so clear because of the temporary nature of the activities. Their effects tend to be intense but short-lived and they therefore need to be complemented by programmes of other activities and spectacles in future, as is intended in Seville's case through the Isla Mágica project. In other instances, the mega events have opened the door to attracting other congresses and meetings to the organising city, with the complementary benefit of improvements to their physical and functional environment (Barke and Towner 1996). The strategies adopted in other cities has taken into account the experiences of these three mega events, whether at the local (Sefarad 92 at Toledo) or regional (Xacobeo 93 in Galicia) scale. The organisation of specialised cultural events is becoming increasingly frequent, given the search of tourism dynamism; this is exemplified by the exhibitions of the works of monographic famous painters (Velázquez in 1989; Goya in 1996) and of religious masterpieces from church and cathedral collections, as well as occasional exhibitions (such as Edades del Hombre), which have been presented in several Castillian cities (Valladolid in 1988; Burgos in 1990; León in 1991; Salamanca in 1993; and Burgo de Osma in 1997).

3.5.2.3 Major innovations in tourism in the interior

Historically, the first measure to encourage tourism in the interior was the construction of *paradores* (state-owned hotels); this policy dates from the 1920s but was intensified in the 1960s, marking an outstanding chapter in the activities of the *Ministerio de Información y Turismo*. Its contribution, although significant, was muted because it lacked clear aims and criteria, and was essentially a prestige operation. This is why some of the *paradores* have poor profitability, which makes their retention in state ownership problematic. In the 1990s, regional and local institutions are particularly keen to promote tourism in the interior, but the central government has also understood that this is one of the key elements for Spanish tourism as a whole; this was demonstrated in its 1997 marketing campaign, which was orientated basically to promoting all the specific tourism products in its 17 targeted international markets. One of the slogans in this campaign was 'Spain by greenery', which attracts the support of those with a passion for the green side of the life, and marks a major change from the former slogan of 'Everything under the sun'.

The autonomous regions have emphasised the promotion of 'green and nature' tourism, through creating and widening their networks of parks and nature reserves, while marketing new tourism products (excursions on foot, on horseback, boating, etc.). The northern regions have been pioneers in this field, relying on the fact that they contain the most attractive and well-preserved natural parks and a number of beautiful rural resorts (in Asturias, Cantabria and northern Aragón, for example). Meanwhile, Andalusia has undertaken a pilot study of the recreational potential of the Sierra de Cazorla natural park (Marchena 1991). All these projects aim to increase foreign and domestic demand, while showing a high level of environmental and cultural awareness (Fuentes Garcia, 1995; Robinson 1996, p. 412). As a result, many small-scale developments have emerged, whose attractions are based on local and regional history, culture, gastronomy and landscape attractiveness. As previously remarked, the promotion of tourism of the interior is encouraged at all political levels, from the EU to the local, including the provincial and the regional, with decision-making capacity mainly being located in the lower levels. There are already many local and provincial agencies devoted to tourism development and these are normally supported by the regional tourist organisations. They usually focus on the domestic markets through promotion campaigns, having in mind the weekend and short breaks segments. The common problem of all these promotional programmes is the need to differentiate their tourism products; consequently, it causes difficulties in commercialisation in the face of international visitor demand. Therefore, a minimum level of coordination and specialisation is urgently required at least amongst similar destinations in the interior (Valenzuela 1997).

The wide range of new tourism products in the interior of the country are normally marketed as rural tourism, which also reflects their entrepreneurial background. The Navarre Foral Community and Cantabria are two of the more active regions in terms of providing organisational support for rural tourism initiatives (for accommodation, restaurants, traditional activities such as horse-riding or hunting, and new adventure sports including rafting and canoeing). The refurbishing of country houses and rural settlements has provided new forms of accommodation—both as rented houses and small family hotels—and these have been successful amongst urban tourists (Mulero Mendigorri, 1990). The process of bringing new tourist accommodation into the market has been supported by various forms of public sector subsidies; the EU's LEADER initiative is particularly important, having provided 52,000 million pesetas for rural tourism projects in its first phase. Some regional governments have even become involved as hotel promoters for tourism in the interior; for example, the Andalusian regional government has opened four medium-quality tourism complexes (*villas turísticas*) in mountainous areas such as the Alpujarras, in the heart of Sierra Nevada and little more than 100 kilometres from the Costa del Sol (Calatrava 1984, pp. 310–12); another of these complexes has been developed in the Sierra de Cazorla.

The regional government in Castille-La Mancha has invested in and is managing directly a small hotel chain (Red de Hosterías de Castilla-La Mancha) based on the restoration of historic building, mainly of religious origin (Pastrana, Villanueva de los Infantes, etc.). Asturias, in the far north, provides one of the most ambitious programmes of rurally-based tourism, and this is part of a larger development project for its eastern sub-region, Oscos-Eo; essentially the aims are to restructure the economy of Taramundi municipality through tourism, including the restoration of traditional crafts. In addition, the intensification of the real estate market in this area has been the outcome of a previous round of public investment in one of the most original, high quality new hostelries in the interior of the country (*La Rectoral*). This has provided a demonstration model, with more than a dozen private, large mansions—*casonas*—formerly owned by wealthy American return migrants from Spain (the *indianos*) have been refurbished as small, charming family-owned and managed hotels. Some of these are marketed through a shared trademark. Rural tourism has also provided opportunities for privately-owned hotel chains to diversify their activities; recently-established chains, such as Confort, which has hotels in small touristic towns (Baeza, Almagro, etc.) are entering this market. Even the strongest of all the Spanish hotel chains, such as Sol-Meliá, is awakening to these new market opportunities in the interior and has invested in new high-quality hotels in medium-sized touristic towns (for example, Cáceres and Avila).

The heterogeneity of rural accommodation is demonstrated by the many different denominations used for marketing by the AA.CC; in fact, there does not exist any quality control such as is found in the traditional hostelry sector. This is one reason why tourism agencies have tended not to accept this as a worthwhile commercial proposition. Nevertheless, it has been very successful amongst the urban middle class. While rural tourism officially began in Spain in the late 1960s, with the support of the Ministry of Agriculture and with around 1,000 beds, by the 1990s there were 27,516 beds, with 51 per cent being in small hotels, mostly concentrated in the interior and northern regions (Turespaña: Instituto de Turismo de España, 1996).

More than 50 per cent of demand originates in only two AA.CCs (Madrid and Catalonia), with Madrid providing the major rural tourism market both for tourists (30.2 per cent) and travel (33.9 per cent). Motivations are relatively predictable, and in Spain as a whole the principal interest of 56 per cent of those travelling in the interior is to seek out a quiet place, accommodated in a rural building which has been made comfortable for tourist use. Nevertheless, the major part of rural accommodation (65 per cent) is provided outside of the commercial sector, by relatives, friends or second homes (Bote 1995). There are half a dozen AA.CCs where 15–20 per cent of tourists are accommodated in their own second homes, but even more remarkably, in three AA.CCs (Asturias, Castille-León and Extremadura), between 24 and 30 per cent of tourists stay in accommodation owned by a relative or friend (Instituto de Estudios Turísticos, 1996). Most of these second homes in rural areas in the interior (Castille-León, Extremadura, Galicia) are owned by people who migrated to the cities in the 1960s and 1970s; frequently, these country houses have been refurbished for use as weekend and family homes, by themselves, their families and their friends. In time, on the retirement of the owners, they may again become permanent homes. In the Mediterranean regions, such as Catalonia and the Balearic Islands, large country houses have often been bought by wealthy urban (both Spanish and foreign) artists and professionals as positional goods, indicating prestige.

There is even greater potential for promoting tourism related to game-hunting, for which excellent conditions exist in the south and centre of Spain (López Ontiveros 1981). Hunting could become a useful tool for economic regeneration in many depressed, and virtually unpopulated, areas in the interior. The autonomous government of Castille-La Mancha, a region which has one of the best-endowed hunting-grounds in Europe (Montes de Toledo), has already realised this.

Traditionally, cultural and historic-artistic attractions have drawn excursionists to the historic cities in the interior of the country, especially where they are also easily accessible from the coastal tourism centres (Granada, Cordoba), or Madrid (Toledo, Segovia) or areas situated along the main transport routes (Burgos, Trujillo). Historic and virtually forgotten routes are also being opened up to tourism, such as the medieval Camino de Santiago (Figure 3.4) or the Roman Ruta de la Plata, thereby developing a new model of cultural tourism. Examples of the adaptation of ancient trails for tourism are to be found in all parts of Spain, ranging from Gran Canaria's *caminos reales* (the king's trails) to the Castillian *cañadas* (historic routes for shepherding flocks of sheep over long distances). Old train routes also provide possibilities for alternative walking tourism: many 'green ways' for walking or cycling have been opened along out-of-service railway lines all over Spain, or have been adapted for tourism transport as at the old mining railway at Riotinto (Huelva) or old narrow gauge lines (Limón Expréss in Alicante or Ferrocarril de Sóller in Mallorca). Historic waterways which have lost their previous economic functions, such as the Canal de

Fig. 3.6 Selected features of cultural tourism in the interior of Spain

Source: Adapted by the author from various sources

Castilla, are being also reorientated to tourism. Many other comprehensive cultural itineraries have been developed by tourism promotion agencies, at all levels; one of the most ambitious is the El Legado Andalusí, based on andalusian moorish heritage (Figure 3.6).

3.6 Conclusions for the twenty-first century: the challenge of quality and coordination

It is generally accepted that the shift in Spanish mass tourism from a tendency to crisis and under-occupation in the 1980s to very high levels of occupancy in the 1990s, should not be allowed to obscure the structural weaknesses of tourism. The reasons for these weaknesses are very complex and need to be addressed by both the private sector and by the various levels of tourism administration (national, regional and local). The most visible effect has been the loss of competitiveness in relation to both traditional Mediterranean and Caribbean competitors and more recent and emergent destinations (such as Portugal and Russia), with a resultant decline in tourism earnings per visitor, which are far lower than in other countries: 1,035 US$ in the USA and 928 US$ in Italy, against 555 US$ in Spain. Even if it is not always obvious, the most accurate diagnosis of this problem is that beneath the surface of the current tourism prosperity there exists a loss of quality, a point that has frequently been emphasised by both professional and academic critics. Strong concentrations of tourists in some places during the high season have had serious adverse effects on the environment and landscape, but especially on the quality of life in these areas in such matters as transport and personal services. The excessively low prices of holiday packages have also contributed to the pressure on the natural and built environment.

There are now signs of change, as can be seen in the central government's FUTURES Programme, and the re-qualification programmes of the AA.CCs and the municipalities (*Planes de Excelencia*). Recent policies of promotion abroad of the 'new' tourism resources of the interior (culture, greenery, etc.) also serve to channel higher tourism revenue to Spain, even though the AA.CCs campaigns tend not to be coordinated, and consequently result in competition amongst them so that the product 'Spain' is losing a clear image amongst potential customers.

The tour-operator system exercises considerable power in negotiation with hotel chains and sometimes they are able to control the entire tourist cycle from transport (using their own aircraft) to accommodation (in their own hotels); consequently, an estimated 50–60 per cent of all tourist spending accrues to the tourists' country of origin. Domestic tourism, which accounts for more than half of global tourist expenditure in Spain, provides the basis for the successful development of some new initiatives in the interior; nevertheless, even this domestic market is becoming weaker because of the increasing tourism flows to emergent destinations in the Caribbean and the Maghreb. But, above all it is imperative that Spain regains its traditional warm welcome for visitors. Only in this way will come about the situation foreseen some years ago by the UNO Economic Commission for Europe, whereby tourism will be the major sector of the service economy by the year 2000, or at least, alongside leisure, will be a source of rapid employment creation in Spain.

Acknowledgements

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