Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

**Doc. 12776**
18 October 2011

# Input for local development: an innovative approach for crisis-stricken regions

**Report**[1]
Committee on Economic Affairs and Development
Rapporteur: Mr Giuseppe GALATI, Italy, Group of the European People's Party

*Summary*

The economic and financial crisis has hit European countries and regions asymmetrically. Some countries have suffered more than others; moreover, within countries, some regions have suffered more than others.

This can be explained by the socio-economic disadvantages of certain regions, such as rurality, crisis or lack of traditional industries, low population density or negative population growth, unemployment and underground employment, lack of a sufficient workforce to sustain social welfare systems, low levels of education, lack of public and private research and development and innovation capacity, or difficult access to essential services.

The report advocates endogenous development, based on locally available resources such as land, water, vegetation, knowledge, skills and competences, culture, etc., as a means of dealing with regional economic difficulties. Tradition and cultural and natural diversity, as well as spirituality, may become the starting points for possible innovations leading to economic growth.

In this context, thematic tourism and senior citizen tourism are activities that have the potential to contribute to the endogenous economic development of disadvantaged European regions. It can be connected with the cultural and historical heritage of a specific region, with ethnography, gastronomy, traditional music and handicrafts or with religion.

1. Reference to committee: Doc. 12184, Reference 3698 of 25 June 2010.

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## A. Draft resolution [2]

1. The economic and financial crisis of 2008 has hit European countries and regions asymmetrically. Some countries have experienced a much higher rise in unemployment than others. Within countries, regions with an economy highly dependent on a particular sector or company have suffered more than others. Regions less reliant on export-oriented industries and financial services seem to have been less severely affected by the crisis.

2. This phenomenon can be explained by, *inter alia*, the socio-economic disadvantages of certain regions, such as rurality, crisis or lack of traditional industries, low population density or negative population growth, unemployment and underground employment, lack of a sufficient workforce to sustain social welfare systems, low education levels, lack of public and private research and development and innovation capacity or difficult access to essential services.

3. However, modern approaches to the theory of economic development focus on the characteristics of endogenous development. This refers to development that is based on locally available resources such as land, water, vegetation, knowledge, skills and competences, and culture. Tradition and cultural and natural diversity, as well as spirituality, may become the starting points for possible innovations leading to economic growth.

4. Endogenous development represents a complementary approach to the ongoing technological and economic processes at a global level. It is locally determined, whereas exogenous development is transplanted into particular locations but remains externally determined. Therefore, initiatives for supporting endogenous development need to identify development niches, based on the characteristics of each local situation. In this respect, it is important to identify best practices for growth and local development.

5. Thematic tourism is one of the activities that have the potential to contribute to the economic development of disadvantaged European regions. It can be connected with the cultural and historical heritage of a specific region, with ethnography, gastronomy, traditional music and handicrafts – or with religion (for example, tourism generated by the European cultural routes, valorised in particular by the Council of Europe Cultural Routes Programme).

6. In this context, the Parliamentary Assembly welcomes the involvement of the Congress of Local and Regional Authorities of the Council of Europe in promoting tourism and underlines the major role that local and regional authorities can play in this field. It therefore encourages local and regional authorities in member states to develop new concepts of tourism, with a view to striking a balance between the exploitation of the cultural heritage for commercial purposes and its responsible and sustainable use.

7. The Assembly also encourages the European Association of Historic Towns and Regions to work, in close co-operation with the Congress, on drafting guidelines for cultural tourism which could be applied throughout Europe as a tool, *inter alia* for the economic development of less developed regions.

8. The Assembly invites member states to adapt their national institutional, legal and commercial frameworks so as to promote a more favourable environment for the economic development of crisis-stricken regions in Europe, notably by:

8.1. considering the best practices in the field of endogenous development when implementing local development policies in economically weak territories;

8.2. strengthening the development of non-conventional tourism (thematic tourism) as a catalyst for local development, in particular in regions and areas having recently experienced economic difficulties;

8.3. implementing measures allowing the pooling together of geographically scattered tourist sites having common denominators in terms of thematic tourism, in order to create “tourism clusters” able to provide enough interest to attract a critical mass of tourists;

8.4. taking note of the specific potential represented by senior citizen tourism and encouraging its development;

8.5. encouraging the reinvestment of benefits derived from tourism in goods and services across the country (infrastructure, education and training, research and development), with a view to determining an economic growth capable of promoting sustainable development;

2. . Draft resolution adopted unanimously by the committee on 17 June 2011.

8.6. bringing together economic players actively involved in the development of a given region, through a governance table of consultation which includes public bodies and all potential stakeholders.

## B. Explanatory memorandum by Mr Galati, rapporteur

### 1. Introduction

1. New approaches to the theory of economic development focus on the characteristics of endogenous development. This refers to development that is mainly, though not exclusively, based on locally available resources such as land, water, vegetation, knowledge, skills and competences, culture, leadership and the way people have organised themselves. It takes tradition, bio-cultural and bio-natural diversity and the spiritual world as starting points for possible innovations and is seen as a complementary approach to ongoing technological and economic processes at a global level.

2. Endogenous development is determined locally, whereas exogenous development is determined externally and transplanted into particular locations. It tends to lead to higher levels of retained benefits within local economies, whereas exogenous development tends to export its proceeds. Endogenous development can indeed revitalise and dynamise local resources which otherwise might be ignored or dismissed as being of little value. Initiatives for supporting endogenous development therefore need to identify development niches, based on the characteristics of each local situation. The rapporteur wishes to identify best practices for growth and local development, which will be referred to as case studies in this report.

3. On 20 May 2011, the Committee on Economic Affairs and Development held a meeting in Lamezia Terme (Italy), at the invitation of the rapporteur. During the meeting, it held a hearing with the participation of:

– Mr Antonio Gentile, Under-Secretary of the Ministry of Economy and Finance;

– Mr Luigi Vitali, Chairperson of the Italian delegation to the Parliamentary Assembly;

– Mr Domenico Arcuri, Managing Director of Invitalia (National Development Agency for the Attraction of Foreign Investments);

– Mr Francesco Montera, General Director of Promuovi Italia (National Development Agency for Tourism and Labour);

– Mr Giuseppe Sala, Managing Director Milan Expo 2015;

– Mr Domenico Bova, Italia Lavoro SpA;

– Mr Gianni Speranza, Mayor of Lamezia Terme;

– Ms Wanda Ferro, President of the Province of Catanzaro;

– Mr Giuseppe Scopelliti, Governor of Calabria Region.

The hearing provided a most valuable input for the present report, as all participants stressed the major need for a coherent approach at local and regional level, with a view to opening new perspectives for the development of tourism in the Calabria Region. They gave concrete examples of issues to be tackled and dealt with in order to reach the declared goals. Local assets and resources, combined with the building of an appropriate infrastructure for attracting tourists, would become the basis for the economic development of the region and bring a true impetus to the well-being of its inhabitants.

#### *1.1. The impact of the economic crisis in Europe*

4. The renewed interest in endogenous development can be explained by the effects the economic crisis is having in specific European regional economies. The economic and financial crisis has hit European countries and regions asymmetrically, with some countries experiencing a much higher rise in unemployment than others. For example, the Baltic states have been particularly hit by the rise in unemployment, as have Iceland, Ireland and Spain, three countries where previously a property boom seemed to fuel high economic growth.

5. Within countries, regions with an economy highly dependent on a particular sector or company have suffered more than others. Regions less reliant on export-oriented industries and financial services seem to have been less severely affected by the economic crisis that hit Europe in 2008.

6. It could be argued that new development challenges can be found in the socio-economic disadvantages of peripheral regions: rurality; crisis or lack of traditional industries; low population density or negative population growth; unemployment and underground employment; lack of a sufficient workforce to sustain social welfare systems; low education levels; lack of public and private research and development and innovation capacity; and difficult access to essential services.

## 2. The socio-economic diversity of economically frail territories as a challenge and resource

7. Territorial imbalances can be observed at many different geographical levels. They usually relate to economic wealth and performance, but increasingly also to demographic patterns or factors such as innovation, creativity and integration in global networks.

8. Currently, two major economic divides or discontinuities can be noted in Europe. Looking at national data, there is a difference between east and west. The discontinuity line runs from the Finnish-Russian border in the north to the maritime border between Italy and Albania in the south (those countries which joined the European Union during the latest EU accession rounds have lower levels of wealth than older EU member states, although they tend also to have higher levels of wealth than neighbouring non-EU countries). If we consider regional data, a more nuanced picture emerges which illustrates the existence of considerable differences in wealth among a given country's regions.

9. Put simply, Europe's territorial imbalances are the result of historical patterns of investment that have created their own momentum and which will persist in the long term. Since the mid-1950s, the process of modernisation in Europe has been characterised by an essential rupture with existing traditional economic sectors (agriculture above all), while the cultures where spirituality plays an important role have generally been considered a hindrance to modernisation. This modernisation model was shaped by external interventions aimed at introducing new technologies and knowledge, new forms of socialisation and training, new organisational models for farming, agriculture and the manufacturing sector. Meanwhile, efforts to create a policy to implement these interventions have reinforced the discontinuity with existing practices, relationships and role definitions.

10. Some regions took advantage of the modernisation process more than others. This not only reproduced existing differences, but also generated further inequalities. In the 1990s, the negative aspects of the modernisation process led to a growing quest for alternatives,[3] first of all in the agriculture sector. On the basis of regional diversity, efforts were made to build endogenous development policies in Europe.

## 3. Territorial specificities and vocation which represent an input for local development in depressed regions: the case of Europe

11. In recent years, there has been a rising market demand for leisure and tourism products that offer consumers an experience of "authentic" landscapes, cultures and habitats. Such assets are very much based on location and are therefore an important part of territorial development strategies in some regions or cities.

12. Thematic tourism, favouring an authentic local cultural contact (connected with cultural and historical heritage, ethnography, gastronomy and traditional music and handicrafts), has emerged as a rejection of mass tourism. Looking at some of the available data, we can identify a growth in the demand for specific types of cultural and natural attractions. In 2009, religious tourism attracted 330 million passengers worldwide, with a turnover of about $18 billion, while ecotourism has become one of the fastest-growing sectors of the tourism industry, growing annually by 10-15% worldwide.[4]

13. Strengthening the relationship between tourism and territorial specificities and vocation can therefore help destinations to become more attractive and competitive as locations to live, visit, work and invest in. On the whole, the tourism industry[5] has become a sector of major importance for the European economy: with some 1.8 million businesses, primarily small and medium-sized enterprises (SMEs), employing approximately 5.2% of the total workforce (approximately 9.7 million jobs, with a significant proportion of young people), the European tourism industry generates over 5% of the gross domestic product of the European Union, a figure which is steadily rising. Tourism therefore represents the fourth largest socio-economic activity in the European Union after the trade, distribution and construction sectors.

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3. . Concerns about climate change, environmental pollution and social welfare are being translated into an increased demand for ecologically, socially and economically responsible consumerism. This trend is being reinforced by legislative initiatives to stimulate consumers and companies to act in a more sustainable way.

4. . Source: La Gazzetta dell'Economia, May 2010.

5. . The European Union remains the world's No. 1 tourist destination, with 370 million international tourist arrivals in 2008, or 40% of arrivals around the world, 7.6 million of them from the BRIC countries (Brazil, Russian Federation, India and China), a significant increase over the 4.2 million in 2004. According to estimates by the World Tourism Organization (WTO), international tourist arrivals in Europe should increase significantly in the coming years ("Study on the competitiveness of the EU tourism industry", September 2009).

14. Tourism is considered as a transversal sector capable of generating local development through:

– the creation[6] (and the retention) of jobs in the industrial and rural areas, coastal regions and islands;

– the connections and relationships with many different actors and other relevant economic sub-sectors.

### *3.1. Specificities of tourism for older people[7]*

15. People over the age of 64 now represent 17.34% of the population of the European Union. Life expectancy has increased, reaching 80 in France and Sweden, although some countries are well short of that figure (it is 66 in the Russian Federation). The number of people aged 80 or over is expected to rise by 180% by 2050. The increase in life expectancy has had various repercussions: couples are also living longer lives together, and voluntary-sector and family commitments are also on the increase. Relations between the generations are also developing, and older people are increasingly engaging in tourism.

16. The tourist industry is a major source of national wealth in many Council of Europe member states, particularly those in the Mediterranean Basin. It accounts for 10% of GDP in Spain, 20% in Croatia and as much as 35% in Malta, where it employs almost 7% of the working population.

17. Tourism has been affected by the economic crisis, albeit not as badly as some other sectors of the economy. However, being less affected than other economic players, such as young adults (the category the most affected by unemployment), older people – those whose pension enables them to travel – seek out certain kinds of tourism while at the same time not wishing to be identified as elderly. They are attracted mainly to cultural tourism (tours of exotic places, voyages of discovery of other cultures and traditions, short visits to major European cities), tourism with a focus on nature (ecotourism, rural holidays) and beach or well-being holidays (staying at superior-class seaside hotels offering an all-inclusive formula or spending wellness holidays at thalassotherapy centres).

18. Many elderly people with enough purchasing power to travel are also wanting to take breaks on the Mediterranean's many beaches. It is important to take note of the fact that periods before and after the main tourist season are the ones particularly appropriate for senior citizen tourism.

19. This kind of tourism nevertheless necessitates quite specific arrangements and investments. Retired people on comfortable pensions seem today to be a privileged social group. With a high level of purchasing power, the over-60s enjoy better health than their parents and an income higher than their children are likely to have. Very often receiving a full pension, in some cases supplemented by income from part-time work, elderly people make up a social group sometimes called the "idle class", enjoying a life of leisure. This social category should therefore be definitely taken seriously into account in the context of developing thematic tourism.

## 4. Harnessing the potential of the labour force and natural resources: some best practices in Europe

20. The high dependency of the tourism sector on human capital and natural and cultural resources is recognised at the EU policy level. There is also an increasing awareness that further economic growth of the industry in a sustainable way strongly depends on territorial development.

21. Generally, the EU tourism industry has difficulties in attracting the necessary skills and is confronted with a high turnover in personnel. This is due to a mismatch between the demand for skills from the tourism sector and the current skills supply provided through education and training, as well as the sector's reputation for sometimes unfavourable working conditions (irregular working hours and low remuneration). Moreover, the average level of education in the EU accommodation industry is relatively low. More than one third of all employees in the accommodation sector did not have more than a lower secondary education qualification in 2007. Less than 14% of employees in this sector have a tertiary education degree, compared to an average of 27% in the total EU economy. The accommodation sub-sector is dominated by small (family) businesses, partly explaining the lower level of education in the sub-sector.

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6. . The tourism industry plays a particularly important role in terms of employment of women, young people and the less skilled. For these reasons, the tourism industry has been identified as an industry with an important role to play in attaining the European Union's goals for growth and jobs, as set out in the Lisbon Strategy (“Study on the competitiveness of the EU tourism industry” FN97613 – FWC sector competitiveness – EU tourism-industry, September 2009).

7. . Source: “Tourism for elderly people”, introductory memorandum by Mr Maximilian Reimann, Rapporteur of the Committee on Economic Affairs and Development (document AS/Ec (2010) 25).

22. Female employees are highly represented in the accommodation sector; they represent 44% of the total workforce in the EU economy. In the accommodation sector this percentage rises to 60%. The over-representation of women in the accommodation industry is a general characteristic across Europe and particularly in eastern Europe.[8]

### *4.1. Case study of territorial development: the ancient routes of pilgrimage in Europe as a model to develop economically frail territories*

23. In 1987, the Council of Europe launched the Cultural Routes programme. Its objective was to demonstrate, by means of a journey through space and time, how the heritage of the different countries and cultures of Europe contributes to a shared cultural heritage. The Cultural Routes put into practice the fundamental principles of the Council of Europe: human rights, democracy, cultural diversity and identity, dialogue, mutual exchange and enrichment across boundaries and centuries. The Cultural Routes programme became, little by little, an essential tool for improving the quality of life and a source of social and economic development for the regions concerned.

24. Having regard to the success of the Cultural Routes programme, in December 2010 the Committee of Ministers adopted Resolution CM/Res(2010)53 establishing an Enlarged Partial Agreement on Cultural Routes. The enlarged partial agreement seeks to reinforce the potential of Cultural Routes for cultural co-operation, sustainable territorial development and social cohesion, with a particular focus on themes of symbolic importance for European unity, history, culture and values, and the discovery of less well-known destinations. It helps to strengthen the democratic dimension of cultural exchange and tourism through the involvement of grass-roots networks and associations, local and regional authorities, universities and professional organisations. It also contributes to the preservation of a diverse heritage through theme-based and alternative tourist itineraries and cultural projects.

25. As far as the economic aspects of the programme are concerned, in September 2010 the Council of Europe and the European Commission jointly launched the Study on European Cultural Routes to evaluate the impact on SMEs in terms of innovation, competitiveness and clustering. The aims of the study are to provide insights into the effects produced by the Council of Europe Cultural Routes programme on SMEs' performance, network and cluster development. It also examines the potential of the Cultural Routes for promoting sustainable and quality tourism in Europe, strengthening European identity, disseminating the wealth of European cultures and fostering intercultural dialogue and mutual understanding. In particular, the study intends to analyse how Cultural Routes networks can benefit SMEs, especially in less-known destinations, where the local culture and heritage are the main resource for development, and how SME clusters can create a solid basis for promoting Europe as "the world's No. 1 tourist destination".

26. Cammini d'Europa (Routes of Europe) is a network of international co-operation created with the support of the European Union and aimed at promoting the development and growth of regions and territories which are crossed by the main Cultural Routes of Europe (among the 29 Cultural Routes having so far received the Council of Europe Cultural Route certification): the Camino de Santiago (the Way of St James) and the Via Francigena. The network comprises institutions and public and private organisations that share a common idea of development. It is directed at increasing the feeling of belonging to a common European culture through the promotion of the historical, cultural and socio-economic status of these routes.

27. Cammini d'Europa supports an integrated and joint strategy of cultural promotion and territorial development, based on actions and concrete intervention: for example, in the last few years about a hundred rural houses have been restructured along the Camino de Santiago to provide a high level of accommodation (from the point of view of comfort and food service) in an environment immersed in tradition. Following the suggested itineraries along the Way of St James and the Via Francigena leads to the discovery of territories rich in history, culture, tradition and local produce of great quality, all too often neglected by the main circuits of international tourism.

8. Source: "Study on the competitiveness of the EU tourism industry – FWC Sector Competitiveness – EU tourism-industry", September 2009.

28. The Camino de Santiago and the Via Francigena are the most important routes of pilgrimage in western Europe. Strongly integrated with each other and with common features, these pathways are recognised as "European Cultural Routes", representing, by their very origins, a fundamental means of communication, cultural exchange and economic development.

– The Camino de Santiago has its historical roots in the itineraries followed by pilgrims in the 9th century, and crosses modern-day Belgium, France, Germany, Italy, Luxembourg, Portugal, Spain and Switzerland to reach the tomb of the Apostle James. The city of Santiago de Compostela was built in this sacred place and has become, along with Rome, one of the most important places of worship and pilgrimage in the Christian world.

– The Via Francigena represents a 1 800-km journey through the United Kingdom, France, Switzerland and Italy along the paths followed by pilgrims en route to Rome, onward to Jerusalem or to Santiago de Compostela. In AD 990, Sigeric, Archbishop of Canterbury, travelled to Rome to meet Pope John XV and recorded the journey along the Via Francigena in his diary, resulting in the birth of one of the most important pilgrimage routes. Other popular routes were added over the centuries ( *Vie Francigene*) and they are now being rediscovered and valorised.

29. The attractiveness of these routes is currently growing. This is an clear signal of the importance of strengthening the international commitment to the promotion and enhancement of these routes and others connected with them, in areas such as pilgrimage and cultural transmission. The integrated strategy aims at strengthening co-operation between the localities, provinces and regions along the Cammini d'Europa with a view to organising, promoting and commercialising at an international level.

### *4.2. The European Pilgrimage Routes project*

30. The European Pilgrimage Routes project has been devised and organised as part of the transnational Leader+ partnership. It aims to develop a strategy of action for an integrated tourism valorisation of the areas crossed by Europe's most important cultural itineraries, namely the Camino de Santiago and Via Francigena (or Roman) pilgrimage routes. The partners are currently local action groups from Italy, Spain, France, Portugal and Sweden, but they are interested in expanding their network of partners by evaluating candidate groups from other European Union countries.

31. The project envisages four types of activity:

– joint actions between the two itineraries;

– actions promoting and upgrading the Vie Francigene routes;

– actions promoting and upgrading the Santiago pilgrimage routes;

– local infrastructure, organisation and promotion work in the project's partner territories.

### *4.3. Valorisation of cultural/natural resources: the Via Francigena of the Lazio Region*

32. Cultural heritage and natural and devotional itineraries represent a key factor in the integrated development of economically frail territories. In the Lazio Region various historical and archaeological sites, abbeys and churches in small towns and out-of-the-way locations are disseminated all over the territory. Moreover, the region contains protected areas, lakes and seaside resorts that contribute to its prominence as a popular tourist destination.

33. Notwithstanding the enormous potential of endogenous development, the Lazio Region has never implemented a homogeneous policy of development aimed at the valorisation of all the territories and areas (characterised as "secondary tourist destinations" because of its proximity to Rome). Agriculture, crafts and animal husbandry are the main traditional sectors, while industrial development in Lazio is limited to the areas south of Rome. Given that most parts of the Lazio Region have kept their agricultural vocation, it is necessary to build a new model of development and new job opportunities for this sector.

34. The model is the one promoted by Routes of Europe, while the opportunity is given by the faith itinerary of the region – the Southern Via Francigena. The "Opera Romana Pellegrinaggi[9] and Promuovi Italia" have outlined a project proposal for an integrated tourism valorisation of the area. The project envisages the following activities:

– supporting foreign public administration bodies in the process of becoming global;

– recognising the attractiveness of the region;

– improving and modernising the faith itinerary of the region;

– training programmes;

– management training (destination management) and entrepreneurship development.

## 5. Conclusion and recommendations

35. The experiences mentioned in this report, chiefly relating to the tourism industry, could be envisaged as best practices to follow when implementing development policies in economically weak territories. In this regard, the suggested approach of strengthening tourism development strategies would act as a catalyst for local development in regions and areas having recently experienced economic difficulties.

36. According to the Amartya Sen "capability approach" to well-being,[10] development should be viewed as a process of expanding the "real freedom" of people. "Real freedom" in this context means an individual's "capability to achieve valuable human functionings" in terms of indicators such as life expectancy, educational attainments, levels of nutrition, access to health care, employment, political participation, etc. Consequently, development is equivalent to the protection of an individual's right to freely dispose of their natural wealth and resources in order to ensure decent living conditions from an economic, social and spiritual point of view.

37. In view of the current economic crisis in most European Union countries, it has become imperative to find and implement new development models, generate new economic activities, create employment opportunities and encourage innovation. On the basis of the case studies mentioned above, we can argue that the territorial specificities[11] of all European Union countries (including cultural heritage, natural sites, customs and traditions) can be considered as a potential for local development.

38. The key growth strategy in certain regions is based on the development and dissemination of a new tourism model known as "thematic" tourism: "not only places to visit but themes to discover". Nowadays, despite the enormous potential for the development of thematic tourism products (agritourism, ecotourism, religious tourism, health and well-being), non-traditional destinations are still little frequented by tourists.

39. On the tourism demand side, the most recent market dynamics reveal that the following tendencies are influencing tourist behaviour:

– concerns about environmental protection;

– preferences for excellent quality services and infrastructures;

– a rising interest for handicrafts, gastronomy and products from local economies connected with historical heritage and tradition.

40. How can the capitalisation of such assets in internal regions and rural territories (landscapes, culture and habitats) be encouraged in order to stimulate local economic growth? In rural and mountain areas, coastal regions and other territories where endogenous development based on local resources without huge capital investment is possible, the SMEs of the tourist and manufacturing/handicraft sectors represent the largest proportion of all enterprises.

41. The tourism sector has significant potential for the development of entrepreneurial activity. Furthermore, we have to consider that the tourism industry consists of a highly complex system of activities and services which cuts across a wide range of sectors. Consequently, tourist spending not only creates direct benefits for tourism-related businesses such as hotels, visitor attractions, restaurants, etc., but also indirect benefits in other sectors such as agriculture, construction and manufacturing. It can, for instance, increase the demand for local food products, furniture supplies for local hotels or create new markets for handicrafts. Increased

9. . Opera Romana Pellegrinaggi is an organisation headed by the Roman Catholic Church and the Vatican which has dedicated time and energy to promoting pilgrimages throughout the world.

10. . See Assembly Resolution 1721 (2010) on wealth, welfare and well-being: how to reconcile them in a changing Europe?, Doc. 12199, rapporteur: Mr Konstantinos Vrettos.

11. . This assumption is supported by the distinctiveness theory from social psychology that holds that people do not define themselves by what makes them similar to others; rather they define themselves by what makes them different from others. People want to distinguish themselves from others and be seen as unique. International travel and tourism create opportunities for social exchanges and emphasise people's cultural origins and identities, International tourism: cultures and behaviour, Yvette Reisinger, 2009.

income and taxes generated by new jobs and businesses can be used to maintain or enhance local infrastructure and services. Moreover, synergies with arts and crafts trades can help to preserve cultural heritage and tradition.

42. An important cultural or natural heritage is a decisive factor in attracting tourists, but this heritage can often be geographically scattered. One site on its own is unlikely to be of much interest, but if it can be pooled together with other sites, they may collectively provide enough interest to attract a critical mass of tourists (despite the sustained growth in tourism over the last fifty years, a significant proportion of Europe is still little frequented by tourists, for example: non-traditional tourist destinations of internal areas or "second- line tourist" destinations). In the new political framework for tourism in Europe, the European Commission encourages an integrated approach in order to promote thematic tourist products, either by clustering or by developing itineraries which will also benefit from labelling initiatives (such as pilgrimage routes and cycle routes). [12]

43. Seasonality is often a major problem for the tourism industry, but in the case of heritage-based tourism it should be viewed as an opportunity. As people take shorter and more frequent holidays and the population gets older, tourists will be encouraged to explore new areas both in and out of season. Natural and cultural heritage, in particular, attracts markets that are not so "weather dependent".

44. As stated in the Congress of Local and Regional Authorities of the Council of Europe's report on the "Promotion of cultural tourism as a factor of development of the regions" (CPR(11)3 Part II), generally speaking, "cultural tourists" are well educated and have high levels of disposable income. Therefore, from the economic point of view, their presence in a particular region has a non-negligible potentiality to contribute to the economic development of that region. Defining "cultural tourism" precisely is difficult, but according to experts, it accounts for 8 % to 20 % of all tourism today.

45. The development of endogenous factors for tourism-based economic development should therefore be strengthened through innovation and new technologies:

– building added-value tourism services for the most demanding/culturally aware consumers and elderly people;

– enhancing relations and creating synergies with other economic sectors.

46. In order to achieve these objectives (developing innovation and reinforcing the quality of supply in all its dimensions), professional skills must be improved. Due to its service orientation, the tourism industry is hard to automate and as a result remains a very labour-intensive market, capable of bringing in significant new opportunities in terms of employment and in the development of skills, especially for women, young people and less skilled workers.

47. Skills are required all along the tourism value chain, ranging from basic business management skills to customer care and marketing. This is even more crucial when dealing with tourism based on natural and cultural heritage, because added emphasis is given to sustainability and environmental concerns, quality of service and products, human resource management and IT skills (Internet, websites, etc.) as well as strategic alliances and partnerships.

48. The quality of tourist destinations is strongly influenced by their natural and cultural environment and their integration into a local community. The following principles are reflected in the Corporate Social Responsibility (CSR) concept:

– responsible use of natural resources;

– taking account of the environmental impact of activities (production of waste, pressure on water resources, land and biodiversity, etc.);

– use of "clean" energy;

– quality and sustainability of jobs created.

49. Many companies, particularly SMEs, have put in place a corporate social responsibility strategy and programme. Small business leaders know that doing "the right thing" is good for society, the environment and business.

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12. . Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Europe, the world's No. 1 tourist destination – A new political framework for tourism in Europe, Brussels, 30 June 2010, document COM(2010)352 final.

50. Local and regional authorities have a major role to play in the development of tourism as a truly innovative approach for crisis-stricken regions on our continent. In fact, as shown in the report of the Congress of Local and Regional Authorities of the Council of Europe (CPR(16)REP) on "The future of cultural tourism – Towards a sustainable model", such an approach represents an opportunity for local and regional authorities to develop new concepts with a view to striking a balance between the exploitation of their cultural heritage for commercial purposes and its responsible and sustainable use. A sustainable management of heritage resources by political decision makers ensures both economic development and respect for the equilibrium of cities and regions. In co-operation with the Congress, the European Association of Historic Towns and Regions (created by the Council of Europe in October 1999 as part of the initiative "Europe – A Common Heritage") would be particularly well placed to draft guidelines for cultural tourism as a tool, *inter alia*, for the economic development of crisis-stricken regions throughout Europe.

51. In order to briefly outline an endogenous development strategy and policy, the rapporteur would suggest the following initiatives:

– the identification of a group of economic subjects actively involved in economic development, through a governance table of consultation which includes public bodies and all potential stakeholders;

– services for the development of the local and regional tourism offer;

– services for the development of human resources;

– services for the valorisation and promotion of tourism opportunities.

52. This kind of strategy determines an economic growth capable of promoting sustainable development, in particular when its benefits are reinvested in goods and services across the country (infrastructure, education and training, research and development).