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# Economic, Environmental and Social Performance of the Irish Tourism Sector: Towards Sustainability

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**“Economic, environmental and social performance of the Irish tourism sector:  
Towards Sustainability”**

Prepared by

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**Towards sustainability in the delivery of the National Development Plan 2007–2013**

**Comhar**

**The National Sustainable Development Partnership**

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## **1.0 Introduction**

Ireland is promoted a clean, green tourism destination, famous for its landscape, environment, natural habitats and biodiversity. However, is this image still realistic and is it an image that can be sustained as Ireland develops post 2006? This question is examined through the course of this paper and relevant tourism policies are drawn on to illustrate this issue further.

Over the past decade, Irish tourism has performed quite well and has made a strong contribution to the national economy<sup>1</sup>. An efficient government sector, a competitive air and maritime transport sector, a strong partnership between public and private sector, significant investment in public and private tourism facilities and an effective international brand image built through coherent overseas marketing campaigns can be considered some of the major factors which contributed to the successful performance of Irish tourism<sup>2</sup>. It is argued that Irish tourism is now, however, at a turning point and should increasingly focus on delivering a quality value for money experience to the international and resident visitor<sup>3</sup>.

In its 2003 Report, *New Horizons for Irish Tourism: An Agenda for Action*, the Tourism Policy Review Group concluded with conviction that Irish tourism is arguably, the most important and successful sector of Irish-owned enterprise since the foundation of the State<sup>4</sup>. The industry possesses the capacity and the capital stock to achieve further growth in the future at a time when many indigenous sectors – particularly farming and traditional manufacturing – face major structural and trading difficulties<sup>5</sup>.

All stakeholders in the tourism sector at national, regional and local levels have a role to play in preserving and enhancing the environment that is pivotal to sustaining and developing the tourism industry. Amongst the current tourism mechanisms and policy orientations, the OECD notes that significant governmental efforts have been made to support further sustainable growth in the tourism industry and prolong the good performance registered in the last ten years<sup>6</sup>. Sustainable tourism requires that all stakeholders focus on alleviating the pressures and impacts generated by tourism and that sustainable management policies, practices and schemes be adopted and developed<sup>7</sup>. This paper therefore examines how tourism policy can be strengthened and adequate infrastructure be provided to ensure that further development of tourism can be achieved ensuring economic, environmental and social sustainability.

### **1.1 Recent economic performance of the Irish tourism sector**

Tourism confers four major benefits on the national economy. It adds to the level of consumer spending, thereby creating more business for an array of Irish enterprises. It supports high levels of employment across the economy. It acts to stabilise the balance of payments and it generates new streams of tax revenue for the Exchequer<sup>8</sup>. Therefore, the economic importance of tourism to Ireland cannot be overstated. In 2005, the tourism industry provided direct employment for almost 150,000 workers and it attracted 6.7 million overseas

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<sup>1</sup> Conclusion of the National Tourism Policy Review of Ireland, OECD (June 2004) page 1

<sup>2</sup> Conclusion of the National Tourism Policy Review of Ireland, OECD (June 2004) page 1

<sup>3</sup> Conclusion of the National Tourism Policy Review of Ireland, OECD (June 2004) page 1

<sup>4</sup> *New Horizons for Irish Tourism: An Agenda for Action* (September, 2003) page II

<sup>5</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 1

<sup>6</sup> Conclusion of the National Tourism Policy Review of Ireland, OECD (June 2004) page 1

<sup>7</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 204

<sup>8</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 1

visitors – who accounted for total foreign revenue earnings of €4.3 billion<sup>9</sup>. In 1995, there were 4.2 million overseas visitors – who accounted for total foreign revenue earnings of €2.1 billion<sup>10</sup>. Therefore, since 1995, there has been a 51% increase in total foreign exchange earnings and visitor numbers have increased by 37%. In addition, domestic tourism expenditure also contributes to the economy and in 2005 there was €1 billion generated from domestic activity<sup>3</sup>. Tourism also accounts for 3.9% of GNP including multiplier effects<sup>11</sup>.

According to the Irish Hotel Federation (IHF), given the degree of competition and the price sensitivity of the Irish tourism product, Irish tourism is placed at a competitive disadvantage by high tourism VAT rates and non-refundability of VAT on corporate hospitality expenditure. In addition, the failure to halt the large increase in local taxes and charges negates the direct tax benefits<sup>12</sup>. The Tourism Action Plan Implementation Group also discusses this point but highlights that the resolution of the problem is complex because of EU law and certain differences in the VAT regime in Ireland compared to other countries<sup>13</sup>.

In a regionally focused future where the exodus from farming is set to continue and where competitive pressures on traditional indigenous manufacturing enterprises are intensifying, tourism is likely to gain in relative economic importance. In these circumstances, the forthcoming National Development Plan (NDP) 2007-2013 should recognise the potential of integrated tourism as a generator for balanced regional economic wealth to a greater extent than in the past<sup>14</sup>.

## **1.2 Recent environmental performance of the Irish tourism sector**

A pattern identified in visitor surveys by Fáilte Ireland is that the primary motivation for visiting Ireland on a holiday is the quality of the sightseeing and scenery on offer. For this reason the tourism sector has a major part to play in protecting the environment on which it is so dependent. The targeted increase in visitor numbers to Ireland<sup>15</sup> poses serious questions for the preservation and conservation of environmental capital and the potential impacts of tourism activity. A large influx of visitors can have negative effects on sensitive ecological areas. For example, the cumulative effective of vehicles, pedestrians and camping, picnicking and caravan use can cause severe vegetative damage to sand dunes<sup>16</sup>. However, insufficient quantitative data is currently available to assess accurately the impact of tourism on sensitive ecological areas.

There are a number of growing pressures on the environment including the increasing amounts of waste being generated, growing energy consumption, rising greenhouse gas emissions which cause climate change, the impact of growing housing demand and associated settlement patterns and threats to water quality, water quality, wastewater treatment, biodiversity and natural resources<sup>17</sup>. Visitors engaging in activities such as hiking, hill-walking and equestrian activities have the potential to harm sensitive areas of high ecological and resource value. Illegal dumping in the countryside, roadways, forested areas and scenic areas blights the rural countryside scenes and can seriously affect Ireland's attractiveness to tourists<sup>18</sup>. The seasonal aspect of

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<sup>9</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006)

<sup>10</sup> New Horizons for Irish Tourism: *An Agenda for Action* (September, 2003) page 30

<sup>11</sup> ITIC Submission to Government Budget 2006 (October 2005) page 2

<sup>12</sup> IHF Submission to the Minister for Finance on Budget 2006 (September 2005) available at [www.ihf.ie](http://www.ihf.ie)

<sup>13</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006)

<sup>14</sup> ITIC Submission to NDP 2007-2013 (March 2006) Summary page 1

<sup>15</sup> New Horizons for Irish Tourism: *An Agenda for Action* (September, 2003) page XVI

<sup>16</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 202

<sup>17</sup> Making Ireland's Development Sustainable: Review, Assessment and Future Action (2002) page 5

<sup>18</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 202

tourism coupled with the concentration of tourists in certain regions is also adding pressures on the environment<sup>19</sup>. These elements all impact on the future sustainable development of Irish tourism.

While rising tourism numbers may adversely affect biodiversity and the environment in general, biodiversity and environment are important assets for tourism. Development must not deplete the resource base upon which tourism depends. This is particularly crucial in Ireland because our international branding efforts depend on our 'green image' and the tourism industry is dependant on a quality environment. Socio-cultural and economic growth must find a balance and harmony with protection and development of the area in order to be sustainable. The challenge of working to break the link between economic growth and damage to the environment must be addressed in the NDP 2007-2013.

It is clear, therefore, that tourism impacts on the environment and a very topical issue is traffic congestion and air emissions that are responsible for much environmental damage, linked with climate change and are a result of many tourism activities. The Government has been putting a range of measures in place to achieve emission reductions in the rest of the economy, including increasing the share of renewables in electricity generation, new Building Regulations to increase energy efficiency, grant schemes for renewable energy technologies in homes and commercial buildings, and the major expansion of excise relief for biofuels announced in the last Budget<sup>20</sup>. The National Climate Change Strategy, published in 2000, was the basis of Government policy and action on how Ireland would comply with the Kyoto Protocol and limit its greenhouse gas emissions to no more than 13 per cent above 1990 levels in the period 2008-2012<sup>21</sup>. The strategy review, entitled Ireland's Pathway to Kyoto Compliance, shows that at least 8 million tonnes of greenhouse gas emissions will be removed through policies and measures already in place. But the latest data from the Environmental Protection Agency (EPA) for 2004 showed Ireland was operating around 23 per cent above the 1990 base year emissions, which means we are 10 per cent over our target. The EPA estimates the rise in Ireland's greenhouse gas emissions will be twice what is allowed under the Kyoto Protocol from 2008 to 2012 or, put another way, an average of 7 million tonnes of excess pollution a year<sup>22</sup>. Every tonne of this overshoot will have to be offset by an emissions permit. The government is assuming permit prices will remain steady at around €15 a tonne giving a total cost to Ireland of €105 million a year or €2 million a week for five years<sup>23</sup>. Although Ireland will be able to avail of the flexible mechanisms in the Kyoto Protocol to buy allowances to meet any shortfall it might face in reaching its target, this is not the best solution for Ireland in the long term.

Ireland also produces more waste per person than any other in the EU and is one of the most car-dependent countries in the world, with carbon emissions from transport having risen a staggering 143 per cent since 1990<sup>24</sup>. The recent surcharge for airlines introduced by the European Parliament addresses in some way the issue of carbon emissions associated with aviation. However, aviation is currently a relatively small source of the emissions blamed for global warming. Its share is growing however, and at the fastest rate<sup>25</sup>. It is estimated that tourism may contribute up to 5.3 per cent of global anthropogenic greenhouse gas emissions,

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<sup>19</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 201

<sup>20</sup> "EEA Report Puts Ireland's Positive record on Greenhouse Gas Emissions in perspective" Dick Roche TD (22/06/2006) available at [www.environ.ie](http://www.environ.ie)

<sup>21</sup> 'Climate strategy is off the rails' (Irish Times, 28/07/2006)

<sup>22</sup> Ireland's National Allocation Plan 2008-2012 (July 2006) page 43

<sup>23</sup> 'EPA plan shows true cost of government inaction on Kyoto' (17/07/2006) available at [www.foe.ie](http://www.foe.ie)

<sup>24</sup> Environment is the weak link in social partnership deal', Oisín Coghlan (Friends of the Earth Ireland), Irish Times, 06/07/2006

<sup>25</sup> The Sky's the Limit (Economist, 10/06/2006) Vol. 379, Issue 8481, p67-69

with transport accounting for about 90 per cent of this<sup>26</sup>. By definition tourism is impossible without transport and the general trend in tourism towards more frequent, further-away trips, for shorter periods of time is increasing the problem. Some other adverse impacts that tourism development and operational activities can have include<sup>27</sup>:

- Threats to ecosystems and biodiversity - loss of wildlife and rare species, habitat loss and degradation (examples of which can be seen in areas like the Burren, Co. Clare).
- Disruption of coasts – shoreline erosion and pollution, and fish spawning grounds.
- Deforestation – loss of forests for fuel wood and timber by the tourist industry also impact on soil and water quality
- Water overuse – as a result of tourism / recreational activities e.g. golf courses, swimming pools, and tourist consumption in hotels.
- Urban problems - congestion and overcrowding, increased vehicle traffic and resultant environmental impacts, including air and noise pollution and health impacts.
- Air Travel – given Ireland's increased accessibility and the availability of low fair airlines the impacts to air quality must be considered.
- Exacerbate climate change/greenhouse effect – from fossil fuel energy consumption for travel, hotel and recreational requirements.
- Unsustainable and inequitable resource use - energy and water over consumption, excessive production of wastes and litter are all common impacts.

Secondary and tertiary impacts are also caused by activities indirectly related to tourism (e.g. local handicrafts, trade, entertainment, etc.), and by development induced by the presence of tourism in an area, such as second homes, recreation and shopping facilities, transport networks, etc. Therefore, the total impact of tourism on the environment is the result of direct, indirect, and induced impacts, which very frequently are difficult to distinguish from one another.

Although it is acknowledged that the relationships between the host community (whether in the context of its environment, economy, or social fabric), and the visitor, are numerous, complex, and constantly changing, what is clear is that the carrying capacity of natural environments is often exceeded with the addition of tourism demands for resources (land, water, energy, food). Many tourism activities in Ireland such as boating, mountain hiking, motorised water-sports (e.g. jet skies), and trekking represent stress for fragile ecosystems and often tourists lack information and awareness about their impact in a different culture and environment, about their impacts on socio-economic and socio-cultural development, and about the environmental costs of tourism. This is particularly the case for areas not traditionally regarded as 'fragile' environments.

Management policies have been utilised at some tourist sites in Ireland to integrate environmental policies into the tourist product<sup>28</sup>. The visitor centre at Brú na Boinne, Co. Meath uses a quota system to control the number of visitors accessing the sensitive sites of Newgrange and Knowth. Ireland also has a network of National

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<sup>26</sup> Making Tourism More Sustainable (World Tourism Organisation) page 13

<sup>27</sup> Towards Earth Summit 2002 - Economic Briefing No. 4, 2002

<sup>28</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 204

Waymarked Ways that are maintained locally with the support of the Irish Sports Council. For more examples of Irish initiatives integrating the concept of sustainability into the tourism product, please refer to Appendix A.

Although the NDP 2000-2006 went some way towards addressing the issue of negative environmental impacts, awareness of the potential environmental impact of tourism in Ireland is still very much in its infancy. While many documents agree that environmental conservation must become a central element of tourism policy and its implementation, little is presented about the potential spatial and temporal environmental impacts of tourism in Ireland. The challenge for sustainable tourism in Ireland, therefore, is to balance inevitable impacts of tourism with the principles of sustainable development, which can only be achieved through, integrated, cooperative approaches involving all stakeholders and related economic activities in tourism destinations<sup>29</sup>. The expansion of tourism in Ireland has significantly contributed to the country's economic performance throughout the 1990s and will undoubtedly remain a major factor in the Irish economy in the years to come. However, sustainable tourism requires integrating not only economic, but also social and environmental concerns. Moreover, Ireland's traditional 'unspoilt' environment is under serious threat from rapidly increasing tourist numbers and targets, and the potential impacts of this must be given due consideration in future policy documents. The tourism sector needs to take a more proactive role in preserving environmental quality, as its business depends on it.

### **1.3 Recent social performance of the Irish tourism sector**

Over the last decade there has been a continued change in social trends and these have impacted on the tourism sector. For example, visitor's expectations of tourism destination have increased and linked to this host's perceptions are affected by how tourists behave and the number of visitors<sup>30</sup>. A new social element to tourism has also been introduced as a result of an increase in visitors to Ireland from 'new' destinations (e.g. the new Member States). These 'new' visitors and the increasing multi-cultural workforce (25,000 in 2005) in the Irish tourism industry are a relatively new development and have affected how tourism businesses operate and will be a key feature for Irish tourism in the future, as it is anticipated that jobs created as a result of expected increase in tourism demand will be filled by foreign nationals<sup>31</sup>. A further influential trend is the amount of holidays people take. It is now common for people to take second, third and even fourth holidays and this has obvious implications for the tourism industry. This is linked to the fact that people are getting higher incomes, have higher disposable incomes and are therefore cash rich but may be time poor. As a result of this, there has been an increase in the frequency of short breaks and a corresponding decrease in longer holidays. The trend toward short break holidays, which are concentrated in cities like Dublin, has been driven by the resurgence of powerful budget air carriers and has driven the renewed tourism growth post-2001<sup>32</sup>.

Tourism is often the main source of income and employment for rural communities and can therefore have a positive influence in regional development<sup>33</sup>. Tourism has become an important instrument of regional development, notably through the development of a vibrant and largely Irish-owned tourism industry, with enterprises and jobs dispersed throughout the island. Some of the key tourism areas are ones which have little or no industrial employment. Therefore, communities and individuals benefit from tourism and are core

<sup>29</sup> United Nations Commission on Sustainable Development, 13th Session New York, 11-22 April 2005

<sup>30</sup> Influencing Consumer Behaviour to Promote Sustainable Tourism Development, United Nations Commission on Sustainable Development, NGO Steering Committee

<sup>31</sup> Fáilte Ireland Cultural Diversity Strategy and Implementation Plan (May 2005)

<sup>32</sup> ITIC Submission to NDP 2007-2013 (March 2006) Summary page 2

<sup>33</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 201

components of the tourism destination or product. Consequently, an implicit requirement for the achievement of sustainable tourism development is a local community approach which seeks to optimise the benefits of tourism to all stakeholders but according to local needs<sup>34</sup>.

#### **1.4 Current key policies and policy instruments in place that bear on sustainable tourism performance:**

**NDP 2000-2006:** The NDP 2000-2006 shifted the prime tourism policy objective from job creation to sustained foreign exchange earnings with a growing emphasis on sustainable and spatially balanced development<sup>35</sup>. It was framed taking into account the need for balance between environment and development embodied in the concept of sustainable development. The recognition of the importance of a more sustainable approach to tourism development in Ireland was visible in the NDP 2000–2006 and the National Spatial Strategy (NSS), published in November 2002. It aimed to address infrastructural deficits and to achieve more balanced regional development under the regional Operational Programmes. Approximately €170 million was earmarked for projects involving the development of major attractions outside main tourist areas, special interest pursuits and tourism/environmental management projects. The objective of the funding was to widen the spatial spread of tourism and divert pressures from highly used areas and it should be noted that state-funded projects must comply with planning and environmental regulatory requirements and have regard to environmental sustainability and best practice in relation to environmental protection. The debate of quality versus quantity of visitors also began to emerge in this document<sup>36</sup>.

Identifiable investment commitments to tourism in the text of the NDP 2000-2006 amounted to €389 million<sup>37</sup>. Thus, from the outset, explicit planned investments in tourism under the NDP amounted to just over 0.75% of total capital expenditure under the current national plan. It is accepted that expensive capital spending commitments to related areas – particularly the transport components of the economic infrastructure operational programme – conferred positive spillovers on tourism development. Nonetheless, the commitment of just 0.75% of total national planned investment to an industry estimated as responsible for 4.4% of GNP constituted insufficient recognition of the industry's importance to the national economy<sup>38</sup>. According to the Fitzpatrick Associates Report<sup>39</sup>, there was slow progress under the Tourism Measure. The Report notes there was a failure to meet expenditure targets and suggest this generally involved a combination of:

- a) Initial over-provision in the sense that likely demand was over-estimated in the first place;
- b) Lower than expected “demand” for grants from the private sector, in some instances because of external variables such as Foot and Mouth disease and a weak tourism sector in the early years of this period.

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<sup>34</sup> Sharpley, R. (2003) 'Rural Tourism and Sustainability – A Critique', in D. Hall, L. Roberts and M. Mitchell (eds), *New Directions in Rural Tourism*, Aldershot: Ashgate Publishing Limited, p. 38-53

<sup>35</sup> A Long Term Perspective on the Policy and Performance of Irish Tourism: Professor Jim Deegan (January 2006)

<sup>36</sup> *National Development Plan 2000-2006*, Dublin: Irish Government (1999)

<sup>37</sup> Estimated from a detailed review of Chapters 4-8, NDP 2000-2006; in ITIC Submission to NDP 2007-20013 (March 2006) page 46

<sup>38</sup> ITIC Submission to NDP 2007-20013 (March 2006) page 46

<sup>39</sup> Update Evaluation of the Community Support Framework for Ireland 2000-06, Fitzpatrick Associates Economic Consultants (January 2006)



**Tourism Product Development Scheme (TPDS) 2000-2006:** The TPDS 2000-2006, funded under two regional Operational Programmes, was established in with a total budget of €130 million, including €55 in EU funding, to support a range of new product developments, outside the established tourism destinations, with an emphasis on regional spread, cluster development, specialist niche products and environmental sustainability<sup>40</sup>.

**Tourism Development Strategy (TDS) 2000-2006:** Bord Fáilte (now Fáilte Ireland) drew up the TDS for the 2000-2006 period. The essence of the strategy is to ensure development of the tourism product in a sustainable way and it distinguishes between established tourist areas, developing tourist areas and undeveloped areas, and advocates a selective range of product supports in a targeted range of geographical areas. The TDS shows a keen awareness of the issue of sustainability and it realises that there is a need for consistent vigilance to protect the key assets of tourism and in particular the scenic landscape<sup>41</sup>. The TDS adopts the notion that any developments should be carried out in a sensitive way and the whole theme of the strategy is towards developing a sustainable tourism sector. It provides for a strategy of sustainable development in terms of a quality environment, profitable enterprises and enduring job creation – that is, environmental, economic and social sustainability. This document argues that helping the tourist industry to achieve a wider seasonal and regional distribution of tourism can contribute to sustainable development.

**New Horizons for Irish Tourism: An Agenda for Action (September 2003):** The Tourism Policy Review Group published its report “New Horizons for Irish Tourism: An Agenda for Action” in September 2003. The focus of the Group’s strategy is the development of Irish tourism at a national level and it recognises the importance of sustainable development of the tourism sector, particularly in terms of product development and innovation<sup>42</sup>. It also recognises the importance of the distribution of tourism regionally, and the need for policy to facilitate each region in achieving its full potential for tourism development – in a way that enhances the sustainability of its tourism base<sup>43</sup>. The issue of sustainability is a component of this strategy, but it may somewhat contradict this target to revert back to an emphasis of increasing visitor numbers to ten million by 2012<sup>44</sup>. An Implementation Group was set up to drive forward the agenda of the New Horizons Report to ensure the implementation of the seventy plus actions recommended in this report. According to the Final Progress Report of the Tourism Action Plan Implementation Group (March 2006), progress has been made in many ways better than what was anticipated by the Group when they met in 2004. The Group identified sustainability as one of the key themes for consideration in the next phase of the roll-out of the New Horizons for Irish Tourism strategy<sup>45</sup>. Therefore, sustainability remains an important element for future policy documents.

**Fáilte Ireland Human Resource Development Strategy – *Competing Through People* (2005):** This Report was born out of the Tourism Policy Review Group Report and was developed by Fáilte Ireland in association with a high-level industry steering group. The Report identifies the key to achieving and sustaining a more competitive tourism industry as lying in the development of its people across all levels and all sectors. Many of the larger tourism businesses have recognised this and have led by example. However the Irish tourism

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<sup>40</sup> National Tourism Policy Review of Ireland, OECD (June 2004) page 16

<sup>41</sup> Bord Fáilte (1999) *Tourism Development Strategy 2000-2006*, Dublin: Bord Fáilte

<sup>42</sup> ‘Ireland’s Environment’, Environmental Protection Agency (2004) page 203

<sup>43</sup> *New Horizons for Irish Tourism – An Agenda for Action*, Dublin: Tourism Policy Review Group, Department of Art, Sport and Tourism (2003)

<sup>44</sup> *New Horizons for Irish Tourism – An Agenda for Action*, Dublin: Tourism Policy Review Group, Department of Art, Sport and Tourism (2003)

<sup>45</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006)

industry is dominated by smaller family-run business where pressures of work and rigid training structures hinder staff and management development. This Fáilte Ireland strategy is designed to overcome these difficulties. According to this strategy, SMEs in Ireland can struggle to provide an environment within which sustained and developmental learning takes place. This in turn mitigates against the capacity of the sector to innovate and create new product, marketing and financial opportunities. Such barriers to “learning journey” opportunities have been identified as a major cause of management skills deficiencies and a reason for business failure in the tourism sector.

## **2.0 Key issues and challenges faced for the future of tourism**

The resolve of the tourism industry continues to be tested and it is up to those involved in the industry in Ireland to identify how potential weaknesses and threats can be turned into strengths and opportunities. The following section highlights some key issues and challenges faced for the future of tourism, globally and locally. It is vital that these issues are addressed to ensure the sustainable development of the Irish tourism industry:

**Competitiveness;** Central to the future success of Irish tourism will be a recovery of the competitiveness that has been lost in recent years and a capability to respond with flexibility and agility to changes in the market place. Previously Ireland was a very cost competitive destination but this is no longer the case. There is an urgency attached to getting our costs and prices back into balance with the rest of the European Union<sup>46</sup>. The competitiveness of the traded sector in Ireland, including tourism, has deteriorated significantly in recent years. High wage costs and high public sector charges for services contribute to the problem. The combined effect of a high inflation rate and a strengthening exchange rate have led to increasing levels of dissatisfaction with the level of Irish prices amongst overseas visitors<sup>47</sup>. The challenge for the tourism industry is to provide high quality products and superior standards of customer service that hold the potential to deliver high yield business. These must provide good value for money and positive visitor experiences. If Ireland cannot do that, it will fail to thrive in the very competitive marketplace in which Irish tourism now operates<sup>48</sup> and this will lead to unsustainable growth of tourism numbers.

**Product utilisation, development and innovation;** Ireland's tourism product, based around the three pillars of people, place and culture, is the fundamental determinant of the customer experience on which the continued success of the Irish tourism industry rests. While there has been significant expansion in the product base of Irish tourism over the past decade, the investment involved has been largely in the provision of improved accommodation, associated facilities and conventional attractions that provide "passive" engagement and experience for visitors. Such facilities are today taken as a "given" by tourists. In themselves, they do not provide competitive advantage for Ireland – relative to other destinations. This can only come from providing visitors with memorable, positive experiences – particularly those that relate to what is different or unique about Ireland<sup>49</sup>. There is evidence to indicate that the Irish tourism product has, in many ways, become tired and lacking for many tourists. The search for meaningful and authentic experiences has emerged as a significant trend over recent years. A fundamental weakness is that much of the existing product, in both public and private ownership, is not packaged, presented and made accessible or marketed to best effect either internationally or domestically<sup>50</sup>.

**Regional development and spread;** Despite progress, there are serious regional imbalances in securing an equitable share of national economic growth. Tourism is central to the creation and maintenance of employment and living standards of many people living in the less developed areas of the country; therefore, a dynamic policy for the balanced regional development of Irish tourism is necessary. Traditional industries in the regions are not being replaced by newer, high tech companies, which are mostly established in Dublin and the

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<sup>46</sup> National Tourism Policy Review of Ireland, OECD (June 2004) page 22

<sup>47</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 6

<sup>48</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 26

<sup>49</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 26

<sup>50</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 19

larger cities<sup>51</sup>. Regional infrastructural weaknesses, including a weak internal transport network, are a barrier to enterprise development. The trends in regional tourism performance reflect, to a considerable extent, the increasing dominance of air as the preferred means of transport of visitors to and from Ireland – now accounting for some 80% of the total – and the concentration of air services between Ireland and Britain and Mainland Europe at Dublin Airport. Clearly, the development of air services between the regional airports in Ireland, to and from Britain and Europe, would make a major contribution to addressing the variation in regional tourism performance<sup>52</sup>.

The Report on the Regional Spread of Tourism published by ITIC in 2005, highlights the significant variations in regional tourism performance in recent years. Promoting a greater distribution of tourism across the regions remains a core challenge for national tourism policy<sup>53</sup>. To facilitate the targeted growth as set out by the Tourism Policy Review Group, tourism in the regions will need to be developed because Dublin and other cities will not be able to absorb such an increase alone. The development of tourism in the regions is an obvious advancement as many of Ireland's most scenic locations and holiday destinations are not only located in poorer regions, but in rural areas. As an industry, tourism continues to possess the potential not only to contribute to greater regional balance but also to create new economic activity in rural areas<sup>54</sup>.

**Access transport;** Competitive and convenient air and sea access is a critical determinant of external international demand for Ireland as a tourist destination. While technological and product developments combined with changing strategic approaches in the access transport segment have continued to increase capacity on routes, infrastructural developments have not kept pace. Consequently, while we have seen increased investment by the access transport operatives, facilities and infrastructure to support the increase in capacity and service have not materialised in all cases. Within Ireland, effective and easy access by air, road and public transport is essential if the realistic potential of a greater regional spread of the benefits of tourism is to be achieved<sup>55</sup>. The increased access to additional US cities for Irish-based airlines that will result from the Ireland-US Bilateral Air Agreement represents a major opportunity for tourism development. It is essential that these opportunities are fully exploited by the Tourism State Agencies in partnership with the airlines and with the industry. It is also essential that, if the EU-US Agreement is not ratified in 2006, arrangements to implement the US-Ireland element be quickly put in place so that the benefits to Irish tourism can be achieved and growth sustained.

**Infrastructural requirements<sup>56</sup>;** It is imperative that the necessary support infrastructure is in place to facilitate tourism development in Ireland. Economic infrastructure necessary in the forthcoming NDP include: the introduction of new pier facilities for aircraft at Dublin Airport by 2007 and the opening of an additional terminal at the airport by 2009; the implementation of a four-year road signposting programme from 2006; the completion of the inter-urban road network by 2010; the designation of a timetable that would ensure the early completion of the Limerick/Galway section of the Atlantic Corridor, announced in *Transport 21*; the publication of a timetable for the phased development of the proposed Western Rail Corridor; the development of a Transitional Package to support Shannon following the advent of open skies. Finally, to underpin the

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<sup>51</sup> Bord Fáilte submission to the Tourism Policy Review Group (2003) page 7

<sup>52</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 27-8

<sup>53</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 27

<sup>54</sup> ITIC Submission to NDP 2007-20013 (March 2006) page 44

<sup>55</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 26

<sup>56</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 12

development potential of marine-based tourism, it is essential that the 'necklace' of marinas around the coastline of the North and West of Ireland be completed. Marine coastal and inland waterways resources form a major component of the overall tourism experience for holidaymakers in Ireland. ITIC believes that water based tourism can become a key factor in tourism growth to the regions<sup>57</sup>. In recent years, the experiences of a great many visitors to Ireland at Dublin Airport have been less than satisfactory. It is vital that long-awaited, essential investments are delivered on time and within budget and that any interim, consequential disruption for visitors and airlines is minimised<sup>58</sup> to ensure that tourism development is sustained.

**Environmental requirements;** In recent years there has been a growing recognition in the Irish tourism industry that each tourism destination has a number of tangible assets, which are unique. These assets, which may be historic, cultural, linguistic or scenic, represent the essential appeal of that destination for the tourist. As such these resources are part of the area's tourism "capital". Managing tourism to sustain local economies in ways that do not result in damage to the very environment on which successful tourism depends is a central concern for sustainable tourism management.

**Marketing<sup>59</sup>;** Effective marketing provides the essential link between Ireland's tourism products and potential customers at home and abroad. The understanding of the tourist decision process pre and post purchase requires greater understanding. Marketing is an essential tool in management of the tourism sector particularly in relation to sustainability. Influencing external factors and an understanding of the customer in transition also requires ongoing research. The British market is by far the most important overseas market for Irish tourism, by virtue of its size, location, traditional source of business and for the many links of people, language and culture that exist between Ireland and Britain. Any complacency in relation to the sustainability, retention or growth in Ireland's share of that market should have been dispelled by the relatively poor performance in recent years. Tourism marketing objectives can also assist the tourism industry to achieve a wider seasonal and regional distribution of tourist business, contributing to sustainable development goals.

**Cultural diversity<sup>60</sup>;** In the emerging Irish multi-cultural society there is a need to develop and implement a strategy and detailed implementation programme to provide for the integration of international employees within the work-place and more widely in our society in a way that recognises and supports cultural diversity and enhances their personal and professional development and their potential to add a new and valuable dimension to traditional Irish tourism values. This issue is fundamental to sustain future success, as ambitious growth targets require significant additional labour. This labour must be of high quality to ensure that visitors can enjoy a quality product and value for money.

**Countryside Access<sup>61</sup>;** In Ireland there is a need to establish clear guidelines and codes of practice on rights of access for visitors to the countryside, hills, mountains, coast and State-owned forestry and bring clarity to the legal position in relation to public liability. A countryside council, Comhairle na Tuaithe, was established in January 2004 to address the issue of countryside access for recreational and leisure purposes. The Comhairle published its Countryside Code in 2005 and is currently working on a National Countryside Recreation Strategy.

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<sup>57</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 12

<sup>58</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page v

<sup>59</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 27

<sup>60</sup> First Progress Report of Tourism Action Plan Implementation Group (August 2004) page 64

<sup>61</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page vi

While the Comhairle has made good progress on these issues the more thorny issues surrounding “rights of ways”, the unilateral closure of areas which have enjoyed traditional long-term public access and addressing situations where voluntary codes established by Comhairle are rejected or ignored by land-owners or recreation users, remain to be resolved and are a barrier to sustainable tourism development.

Increasingly, Ireland does not stand comparison with other areas competing for the same walking/hiking market, such as Scotland, the Lake District, the Pyrenees, the Alps and elsewhere in the near Continent<sup>62</sup>. Walking is centrally associated with tourism in Ireland but was badly hit by the restrictions following the outbreak of Foot and Mouth Disease in 2001<sup>63</sup>. During 2004, there were 259,000 people who visited Ireland for hiking holidays – which is still short of the 325,000 who came here in 1999<sup>64</sup>. Visitors who engage in walking and hiking stayed on average 16.6 nights in Ireland in 2004 and the walking market is worth around €113 million. Walking is the silent performer of Irish tourism, attracting more people here than golf or angling; therefore it is a phenomenal opportunity<sup>65</sup>. However, countryside access is a key issue challenging this form of tourism development.

**Agency development arrangements;** A serious constraint impeding optimal performance in the tourism sector is the lack of coherency in the structural arrangements underpinning tourism activity in Ireland. There is a lack of cohesion among stakeholders, which leads to a fragmented industry. As a result of the recent restructuring of the Regional Tourism Authorities, the functions and resources of the regions will expand to encompass all key aspects of tourism development, including the product innovation, enterprise support, training, marketing, infrastructure and environmental management needs of tourism. This will go some way to addressing the issue but as with all new departures, comment should be deferred until success or otherwise is proven. There is still a need to improve linkages between the tourism institutions operating at different levels to improve the flow of information throughout the system.

**Complex structure of Irish tourism;** The Irish tourism industry embraces a wide range of diverse small and medium sized enterprises that are predominantly Irish-owned, which brings about its own challenges and issues<sup>66</sup>. Some issues that face small business are: burdensome and costly administrative regulations; rising local authority charges; poor access to information and advice; inadequate infrastructure; difficulty in accessing finance; weak management capability; lack of innovation, both technological and non-technological; and under-exploitation of Information and Communications Technology (ICT)<sup>67</sup>.

**Statistics, research and planning;** A review of both historical and statistical literature highlights the importance of both market research and the need to target certain groups as the most viable means of extending tourism in Ireland. Irish tourism cannot control external issues, but resources must be committed to understanding relevant trends, anticipate key trends and ensure that they are factored into strategic planning. This further underlines the critical role of structured research and its use and highlights the need for more access to research funds, which appear to favour other industries in the science and technology sectors. Research and development is necessary to facilitate growth in this knowledge economy. There is also an

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<sup>62</sup> Submission from Keep Ireland Open, available at [www.keepirelandopen.org](http://www.keepirelandopen.org) (accessed 28/07/2006)

<sup>63</sup> Walking in the West (July 2005) page 3

<sup>64</sup> Fáilte Ireland Hiking/Hillwalking fact cards (2004)

<sup>65</sup> Paddy O'Mahony, Fáilte Ireland 'New plan to walk and cycle back to tourism prosperity' (Irish Times 18/04/2005)

<sup>66</sup> National Tourism Policy Review of Ireland, OECD (June 2004) page 22

<sup>67</sup> Report of the Small Business Forum (May 2006) Executive Summary, page X

issue with the comparability and flow of tourism information and there is a need for a qualitative approach to complement the traditional quantitative approach that has been traditionally employed<sup>68</sup>.

**Security and safety;** Increasingly, travellers have concerns about crime, political problems and terrorism. This leads to a marked increase to search and visit areas that do not have security and safety issues. Ireland is considered a safe and welcoming destination and we are well positioned to secure the business that is out there<sup>69</sup>. Ireland needs to convey this position to visitors in order to sustain the growth in tourism numbers.

**Social issues;** As a result of demographic changes, consumer behaviour will in future be more strongly determined by the age factor. The ageing of the population of the European countries and North America in the coming decades, and the trend towards smaller families, play the prime role here. According to RMNO (the Advisory Council for Research on Spatial Planning, Nature and the Environment, Netherlands) short, more frequent city trips, taking breaks further away and for shorter periods of time will be more common for childless families than for families with children<sup>70</sup>. Recent decades have shown a trend towards people stopping work earlier. This means not only that they are then reasonably fit, but apparently that they also have sufficient financial means to retire earlier. The market for the over fifty-fives is becoming an increasingly interesting segment for tour operators and estate agents<sup>71</sup>. Workers in the tourism industry, as well as those in other industries, are also under increasing pressure to achieve a suitable work-life balance, which will impact on both supply and demand of tourism activity. All of these issues must be considered if tourism is to be socially sustainable in the future.

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<sup>68</sup> Submission to the Tourism Policy Review Group, DIT/TRC (March 2003) page 9

<sup>69</sup> Tourism Ireland updates local tourism industry on UK market Wednesday (23/07/2003) available at [www.tourismireland.com/corporate/](http://www.tourismireland.com/corporate/)

<sup>70</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 25

<sup>71</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 46

### **3.0 Future trajectory under 'business as usual'**

The World Tourism Organisation (WTO) has forecast that the number of international passenger arrivals will double over the next twenty years to reach almost 1.6 billion. International tourism has exhibited a sustained capacity to grow very rapidly in the past and it is forecast to continue expanding swiftly for the foreseeable future<sup>72</sup>. The available evidence points to continued robust growth in the global tourism industry over the period of the next national plan. Moreover, short-term forecasts point to a revival in demand conditions in the major European economies from which most overseas visitors to Ireland are drawn. Ireland has already developed and sustained a position in this global market, accounting for some 1.5% of total international arrivals in Europe<sup>73</sup>. On the basis of the industry outlook, this is a market in which Ireland should be seeking to reinforce and strengthen its position. The new accession countries also represent a market that Ireland has potential to attract.

China is another prospective market for Irish tourism and the recent opening of Tourism Ireland's first office in Shanghai (June 2006) is recognition of this potential. With a population of over 1.3 billion and a rapidly expanding economy, China has the potential to exert greater influence over the development and marketing of tourism destinations worldwide over the next decade than perhaps any other country on the globe. Ireland was granted 'ADS' Approved Destination Status in May 2004 providing a framework to establish organised group tourism from China to Ireland<sup>74</sup>. 28.85 million Chinese travelled overseas in 2004. 50 million people are projected to travel from China in 2010, soaring to 100 million by 2020. This will make China one of the world's major top 3 outbound tourism markets<sup>75</sup>. Ireland also has an opportunity to attract friends and relatives of international workers, many of who are working in the tourism industry.

The long-term strategic framework for the development of Irish Tourism is set out in the *New Horizons for Irish Tourism* report, published in September 2003. This strategy emphasises the utter importance of retaining flexibility and developing a capability for rapid response to changing market circumstances within Irish tourism, at both the level of policy formulation and implementation and at enterprise level. The importance of this flexibility must be reemphasised on the road forward, as past lessons (e.g. Foot and Mouth crisis and 9/11) have taught us that major events can occur to stifle tourism growth in terms of number of visitors and revenue. The Implementation Group, set up to monitor the progress of recommendations identified in the Report considers that, while clearly under pressure, the overall targets set by the Tourism Policy Review Group remain attainable provided the challenges and actions identified by the Group and widely endorsed by the industry are addressed and the tourism development strategy is implemented effectively. These targets include increasing overseas visitors to 10 million and overseas visitors spend to €10 billion by 2012<sup>76</sup>. The Group highlights that underlying trends in areas such as regional spread, length of stay and visitor spend are less positive and a cause of some concern and the rate of progress required to meet the revenue targets are challenging – especially when viewed against the background of changing consumer preferences, tougher international competition and a deterioration in Ireland's relative competitive positioning. Ireland's best prospects will continue to lie within its traditional high performing markets – Great Britain, the United States, Germany and

<sup>72</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 5

<sup>73</sup> ITIC Submission to NDP 2007-20013 (March 2006) Summary page 5

<sup>74</sup> Minister opens Tourism Ireland office in Shanghai (03/06/2006) available at [www.tourismireland.com/corporate/](http://www.tourismireland.com/corporate/)

<sup>75</sup> Kerry and Shannon welcome their first organised tourism group from China (03/02/2006) available at [www.tourismireland.com/corporate/](http://www.tourismireland.com/corporate/)

<sup>76</sup> *New Horizons for Irish Tourism: An Agenda for Action* (September, 2003) page XVI



France. Together these markets account for 84% of total incoming visitors. The Irish tourism industry must continue to perform strongly in those markets if the overall growth targets for the industry are to be achieved. In particular, far stronger performance in the British market than has been achieved in recent years is essential if achievement is to get back on track across the range of targets set out by the Review Group<sup>77</sup>.

Looking to 2006<sup>78</sup>, the overall growth target for overseas visitor numbers is a further 5%. Achieving this target would see Ireland attracting over seven million visitors for the first time – slightly ahead of the target set by the Tourism Policy Review Group. The 2006 revenue target set by the Tourism Policy Review Group, which was based on 2002 values, would require a 20% increase in revenue in the year. This is not now regarded as achievable as the Tourism State Agencies have set a growth target of 6.6% in foreign earnings in 2006. The revised revenue forecast of 6.6% growth is ambitious, given that visitor numbers are estimated to increase by 5% and that the short break market represents the fastest growing segment. Achieving this target will require an increase in average per capita spending by overseas visitors, which is against the trend of recent years. In the light of increased capacity in the industry, revenues and margins in individual enterprises are likely to remain under pressure. The overall growth target for domestic holiday trips in 2006 is 9%. Given the strong performance in recent years (7% growth in 2004 over 2003), this is achievable but will require determined effort. Again the revenue target for domestic holiday spend is ambitious. To reach the interim target of €800 million in 2006 would require a 28% increase over the 2005 receipts (at 2002 values) which, at this stage, appears unattainable. The lagging performance of real revenue to date requires an even faster rate of revenue growth in the years to 2012 if the Review Group's 2012 targets are to be met.

The annual growth required in overseas visitor numbers over the period 2005-2012 if foreign visitors are to reach the 10 million target by 2012 is 5.8%. The required growth rate does not deviate significantly from the Review Group's projection in 2003. However, the relatively weak growth in real overseas visitor revenue between 2002 and 2005 necessitates an upward revision in the annual growth in overseas visitor revenue – adjusted for inflation – to 9.2% each year for the period 2005 through 2012 if the €6 billion earnings target is to be attained in the latter year. Given that real overseas tourism revenue advanced at a rate of only 1.2% annually between 2002 and 2005, the required acceleration of this growth rate to 9.2% annually in the remaining seven years of the 10 year development programme cannot be anticipated without a step change in tourism performance<sup>79</sup>.

The future trajectory has been set out corresponding to targeted visitor numbers and revenue, however, unsustainable trends in relation to climate change and energy use, threats to public health, poverty and social exclusion, demographic pressure and ageing, management of natural resources, biodiversity loss, land use and transport still persist and new challenges are arising. Since these negative trends bring about a sense of urgency, short-term action is required, whilst maintaining a longer-term perspective. The main challenge is to gradually change our current unsustainable consumption and production patterns and the non-integrated approach to policy making<sup>80</sup>.

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<sup>77</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 5

<sup>78</sup> ITIC Submission to NDP 2007-20013 (March 2006) page 48

<sup>79</sup> ITIC Submission to NDP 2007-20013 (March 2006) page 49

<sup>80</sup> Review of the EU Sustainable Development Strategy (June 2006) Council of the EU, page 2

#### **4.0 Review of policy changes likely to make trajectory more sustainable**

The challenge facing tourism organisation is to have appropriate policies and funding in place to facilitate the development of a sustainable and spatially balanced tourism industry. There are two prime motives for regarding tourism from the perspective of sustainable development. In the first place, transportation to and from tourist destinations causes environmental pollution, and, in the case of holiday venues, which are inundated with tourists in the peak season, the local area suffers a disproportionate degree of environmental pressure. Secondly, the natural environment is the prime attraction for the tourist sector. Purely from considerations of self-interest and continuity, therefore, the tourist industry would be well advised to make its business activities more sustainable. Future generations will then be able to enjoy the same location(s)<sup>81</sup>.

The fact that the tourist sector is predominantly demand-driven is important in terms of the right choice of policy instruments, and in making choices in the research into tourist movements and how these change from year to year, sometimes radically. In this respect, the tourist sector is different from some other sectors of economic activity, which are mainly supply-driven, such as, for example, the sector in which software is developed<sup>82</sup>.

A clause on tourism has recently been included in the treaty on the establishment of a European Constitution and the fact that tourism is numbered among these issues is an indication of the growing status of tourism as a theme for future policy. Tourism is in many aspects unsustainable; both as a result of tourist trips and the use of the tourist destination, damage is incurred to the environment, to nature, to the cultural heritage and to the local social structure. Addressing the problems – promoting the sustainable development of tourism – by no means appears to be easy but arising from the review of policy and collaborating suggestions from such documents, recommendations are made to make the trajectory more sustainable:

- The Irish People and the Government have gained substantial benefits from tourism in recent years and the industry has the potential to do even better. But high levels of investment are needed if the tourism sector is to develop its full potential to contribute to the Irish economy. This is the principal conclusion of a submission from the Irish Tourist Industry Confederation (ITIC) to the Department of Finance in advance of the preparation of the National Development Plan 2007-2013. The submission argues that a further €1 billion investment in tourism, over the life of the NDP, is essential for its further development and that such investment is likely to earn a substantial return for the economy<sup>83</sup>. Such investment is necessary in order to ensure the sustainable development of tourism in Ireland and ITIC outlines how investment in tourism should be allocated within the NDP over the course of the Plan: International Marketing, Product Development, Human Resource Development, National Conference Centre and a Regional Conference Centre.
- Tourism not only suffers from a lack of policy, which is surprising given the enormous economic and social significance of the industry, the sector is also decidedly under-researched. In order to prevent developments becoming irreversible, it is important to know where the limit is and how this can be safeguarded. Setting limits to the capacity of the natural and built-up environment, whereby investments in the tourist infrastructure do not cause more pressure than the environment can support, is a question which research has to answer<sup>84</sup>.

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<sup>81</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 7

<sup>82</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 31

<sup>83</sup> ITIC Submission to NDP 2007-2013 (March 2006) Summary, page 2

<sup>84</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 51

- The different problem perceptions of the various players make it difficult to determine unanimously agreed limits to the social, economic and ecological capacity and to decide who should set such limits. Further analysis is required here. Specific instruments will have to be developed in order to objectively determine the capacity of an area. Each destination is unique and has its own limits. For example, there are those cultures, which are vulnerable, and others that have enormous resilience<sup>85</sup>.
- One fears that when we say sustainable development in Ireland we really mean development, which keeps on going. A quarter of a century ago the nation was told, “we are living way beyond our means”. What was true fiscally in 1980 is equally true environmentally in 2006. Then our unsustainable borrowings were from the financial reserves of international banks. Now they are from the ecological reserves of future generations<sup>86</sup>.
- Ultimately, a destination is not static, but dynamic. It is not sufficient to look at the current limits; one has to also consider the future situation. Scenario development can play a significant role here<sup>87</sup>.
- Because governments are reticent to take action, and social organizations struggle with the question whether tourism is a relevant issue, it is a conceivable option that a voluntary break in the trend by market parties has to be initiated: either from the demand or the supply side. As has been shown in other economic sectors, the tourist industry is willing to make its contribution, but is waiting to see whether the consumer is sensitive to initiatives, which can lead tourism in the direction of sustainability. Given the assumption that the emphasis in the tourist sector lies on the demand side of the market, the crucial question is whether the consumer is interested in the sustainable development of tourism and is prepared to adapt his choices accordingly. Researchers maintain that this is the case, but this assumption has to be thoroughly tested through research<sup>88</sup>.
- RMNO (the Advisory Council for Research on Spatial Planning, Nature and the Environment, Netherlands) identifies a number of keys to achieving a sustainable, environmentally efficient economy, namely<sup>89</sup>:
  - Environmentally friendly products and services which meet the diverse requirements of consumers, whereby the environment is an accepted quality aspect;
  - Sustainable entrepreneurship in all sectors;
  - Environmentally efficient technology in products and production processes, in the mobility and energy sector, and knowledge as a production factor;
  - Efficient use of space, spatial quality and investments in the infrastructure (in a broad sense) for sustainable economic development.
- Research suggests that more visitors could be attracted to Ireland by the high quality and uniqueness of the natural product. The Implementation Group notes the recent establishment by Fáilte Ireland of an Environmental Unit and urges that it be adequately resourced to ensure that it can both deliver the fundamental supports required by the industry and also set the best standards to ensure the sustainability of the tourism product<sup>90</sup>. Action has already been taken in this regard, by the Unit via the initiation of a tender process to engage consultants to research environmental best practice and policy. The results of this research will identify industry benchmarks and policy recommendations for the future.

<sup>85</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 52

<sup>86</sup> ‘Environment is the weak link in social partnership deal’, Oisín Coghlan, Irish Times, 6<sup>th</sup> July 2006

<sup>87</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 52

<sup>88</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 56

<sup>89</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 15

<sup>90</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 28

- Although transport is sometimes the “forgotten link” in the tourism product offering, access transport is essential and this needs to be enforced through the support and development of transport infrastructure as an integral part of the tourism industry. Transport pollutes, and more transport pollutes more. There will only be a favourable improvement in this if transport is curbed on a large scale, or more sustainable means of transport are developed. More sustainable methods of transport include the bicycle, the sailing boat and the hot air balloon. There are no indications that these means of transport will gain in importance. It is also not yet clear when and to what degree the car, train and aircraft will become ‘cleaner’<sup>91</sup>.
- Attracting domestic tourism may be a more sustainable strategy environmentally as it reduces the level of transport usage because as mentioned earlier, aviation is how the majority of overseas visitors arrive in Ireland and this has deleterious environmental impacts.
- When planning for the future sustainable development of Irish tourism attention must be paid to the issue of clustering. The importance of this concept was recognised in the NDP and TDS 2000-2006, but this idea of firms working together and creating an environment which is innovative, supportive of the development of new firms and proactive in the search for new customers must continue to be harnessed not only as an aspiration but also in terms of practical policy development and implementation. Such policy must not only support clusters that have been identified, in both products and regions, but also attempt to develop policies appropriate to encourage the development of new clusters especially in the less developed tourism regions and among products at early stages of the life-cycle.
- The trends in regional tourism performance reflect, to a considerable extent, the increasing dominance of air as the preferred means of transport of visitors to and from Ireland – now accounting for some 80% of the total – and the concentration of air services between Ireland and Britain and Mainland Europe at Dublin Airport<sup>92</sup>. Clearly, the development of air services between the regional airports in Ireland, to and from Britain and Europe, would make a major contribution to addressing the variation in regional tourism performance, which in turn will address the issue of sustainability.
- According to RMNO, there is a need to change the way tourists think in order for the development of tourism to be sustainable. Although it is the special forest or the historic castle, which attracts the tourist to a particular area, the tourist himself makes the forest a bit less special and the castle a bit less attractive. The prime attractions – nature, environment and cultural heritage – suffer damage from tourism above a certain frequency and a certain volume. At the same time, it is possible that the supplier of the attraction may pay more attention to maintaining or even improving its quality in order not to devalue its attractiveness. The suppliers will be encouraged to do this if the tourist himself develops preferences whereby he only considers those objects attractive, which encompass the greatest possible concern for maintenance or improvement. If enough tourists visit the historic castle, the local authority, possibly encouraged by the hotel and restaurant businesses in the area, will then ensure the castle is well maintained. There are no indications that this as yet applies to any sizeable percentage of tourists<sup>93</sup>.

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<sup>91</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 26

<sup>92</sup> Final Progress Report of Tourism Action Plan Implementation Group (March 2006) page 27

<sup>93</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 26

- From the point of view of sustainability, it is important that the use of second homes and business travel fall within the definition of tourism<sup>94</sup>. When people are on their way to their second homes, in Ireland or abroad, this usually also involves at least one night's accommodation. Also, the second house does not belong to the normal place of residence, so when the person is staying in the second house, this is also tourism.
- There needs to be an element of spatial planning and development control to ensure that policy options tie in the work of the Heritage Council on Landscape Character Assessment and Fáilte Ireland's work on mapping of scenic landscapes to provide for the protection and sustainability of these scenic areas that are vital for tourism.
- There is a need for rigorous strategic environmental and sustainability impact assessment. This may be a role that the Environmental Unit of Fáilte Ireland can oversee as a policy measure to address the environmental impact of tourism.
- According to Keep Ireland Open (KIO), the voluntary organisation campaigning for the right of recreational users to reasonable access to the Irish countryside, firstly there must be a distinction made between freedom to roam and rights of way<sup>95</sup>. For low value or rough grazing country freedom to roam allows recreational users to wander at will, except near houses, over growing crops etc. It is the norm all over Scotland and the Scandinavian countries and in parts of England and Wales. Ireland has no areas covered by freedom to roam except in the National Parks. In heavily cultivated areas rights of way are the norm. These are linear paths or tracks from which the walker should not deviate. They are normally marked on the maps and signposted. There are very few stretches in Ireland but 225,000 km in England and Wales and about 200,000 km in France. KIO are looking for a legal right to allow freedom to roam in mainly remote rough grazing land, that is about 7 per cent of the total land area in the State. KIO are also campaigning for severe restrictions on intrusive barbed wire fencing in those areas. Areas covered by freedom to roam should be marked on the maps and indicated on the ground. It would never be allowed in close proximity to dwellings or across growing crops, or in areas of persistent vandalism. For other areas, mainly lowlands, KIO propose rights of way both to get to areas covered by freedom to roam and to form looped walks or walks to areas of interest, such as amenity areas or archaeological sites. Landowners can benefit directly from rights of way. Instead of walkers wandering blindly through farmed areas at random they could be channelled into rights of way and so avoid unnecessary disturbance.
- While the larger portion of greenhouse gas emissions is emitted by transportation, the accommodation/catering sector is also a large contributor. Examples of energy efficiency campaigns are run in Great Britain (Hospitable Climates) and also in Germany. In these schemes, by means of an internet-based interactive programme participating hotel owners are guided towards energy savings on their premises simply by implementing technical and organisational improvements in different sections. The schemes monitor the performance of the participant in terms of energy consumption and monetary savings and calculate CO2 emission reduction. Such schemes are a step in the right direction to ensure the environmental sustainability of the tourism industry and Ireland is doing its bit through the Irish Hospitality Institute 'Greening Irish Hotels Programme'. The main objective of the Programme is to encourage hotels throughout Ireland to strive towards a higher standard of environmental performance

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<sup>94</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 21

<sup>95</sup> Information sourced from [www.keepirelandopen.org](http://www.keepirelandopen.org)

by adapting processes and services in order to minimise negative impacts on the environment, whilst maintaining quality, productivity and competitiveness. However, there are presently only 57 hotels in the programme, which represents approximately 10% of the Irish Hotel bed stock. It is important that all businesses in the accommodation/catering sector are involved in such schemes to ensure the environmental sustainability of the Irish tourism industry.

- The provision of environmental training for professionals in the sphere of management and business studies in the Irish tourism industry is a recommended approach. The importance of such training to Irish tourism professionals is necessary to harmonise tourism development with environmental protection and conservation.
- Increased awareness and education together with activity management, such as the provision of pathways in Killaun Bog Reserve, Co. Offaly, are necessary to protect sensitive areas.
- Continued economic prosperity in the tourism industry very much depends on a litter-free environment. It is vital that local government maintains the quality aspects of Ireland's ecology and environment, particularly through the enforcement of litter controls. Campaigns such as the Tidy Towns competition, the National Spring Clean and the IBAL Anti-Litter League run by An Taisce aim at actively eliminating litter pollution in Ireland. The Tidy Towns competition encourages local communities to improve the appearance of participating Irish towns and villages, and results in a knock-on-benefit of increased tourism. Despite these initiatives, Ireland remains a littered area<sup>96</sup>.
- As the development Authority dedicated to the needs of tourism in Ireland, Fáilte Ireland need to place a continued emphasis on environmental issues as they relate specifically to tourism. This emphasis is manifest through the execution of responsibilities as a prescribed body, particularly in the planning process. This is necessary to ensure the protection of scenic landscapes and historic properties, mentioned earlier.
- Planning policy must be sensitive to the conservation of the rural environment, including preservation of natural beauty spots and natural habitats. Tourism and visitor-related development must be planned for in order to maintain and enhance an area. The EU Directive on the assessment of the effects of certain public and private projects on the environment stipulates that an environmental impact assessment is mandatory before certain tourism and leisure establishments can be built<sup>97</sup>.
- The term sustainable development is still perceived as a concept, which is totally pro-environment, and sometimes it is criticised as stifling development opportunities. Sustainable development, as the term implies, encourages development but applying certain principles, which relate to social and environmental resource preservation and management. Therefore, as a form of economic development the principles of sustainable development should seek to offer long-term employment opportunities. Traditional forms of tourism development, particularly those based on mass tourism, have often resulted in job losses. Such situations are experienced during the low seasons when the inflow of tourists is not that high, and therefore, some jobs have to be lost. Sustainable development should seek to offer permanent employment opportunities, even though the seasonal nature of tourism places some constraints on attaining this goal<sup>98</sup>.
- In addition to the new funding for the "super regions" (Ireland South, Ireland East and Ireland West), a €1 million local area marketing fund has also been established. This is to encourage the tourism industry

<sup>96</sup> 'Ireland's Environment', Environmental Protection Agency (2004) page 205

<sup>97</sup> Schmidt, H. -W. (2002) Tourism and the environment. In: Statistics in Focus. Theme 4-40/2002. Eurostat, Luxembourg

<sup>98</sup> Sourced from [http://www.coe.int/t/e/cultural\\_co-operation/environment/nature\\_and\\_biological\\_diversity/publications/SN116-E.pdf](http://www.coe.int/t/e/cultural_co-operation/environment/nature_and_biological_diversity/publications/SN116-E.pdf)

to develop attractive promotional packages aimed at boosting revenue in rural areas. There is also a €1 million innovation fund to support new developments and stimulate investment<sup>99</sup> and it is essential that sustainability is a key consideration when these funds are being distributed.

### **Conclusion to review of policy changes to make trajectory more sustainable**

The sustainable development of tourism will not happen automatically. A persistent problem is that the chain of tourist activities operates across national borders and therefore has to take account of different legal regimes. This hampers consistency of policy and offers players countless escape routes for behaviour calculated to achieve its own goals and its own short-term advantages. The (international) tourist industry balances between more turnover and quality, whereby the balance is currently in favour of turnover. Although the tourist industry has as one of its prime objectives the sustainable development of tourism, the sector itself, in order to survive as a business in the short term, cannot be expected to set and enforce growth limits, even if this is in the interests of long term business policy<sup>100</sup>.

Numerous national and sub-national organisations involved in tourism have endorsed the principles of sustainable tourism. The main challenge however, is to develop and promote a product that is environmentally sustainable within the context of a rapidly expanding sector and that is appropriate to the resources in the region. The translation of the principles of sustainable tourism into practical policies are, of course, much more challenging and difficult.

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<sup>99</sup>Regions receive €5m in new marketing push' Martin Wall Irish Times, 22/02/2006

<sup>100</sup> Knowledge Agenda: Sustainable Development of Tourism, RMNO (January 2006) page 53

## **5.0 Summary**

In Ireland, the traditional tourism is possibly gone for good. It can be argued that it is no longer valid to call Ireland a clean, green tourism destination, and its landscape, environment, natural habitats and biodiversity are not as clean as it is sold as being and in some cases may be getting worse. It can also be disputed the place is not tranquil, unless you are expert at knowing where to go. People are friendly, but there is valid concern that an element of the “Frosty Fáilte” creeping in. Ireland has a reputation for being expensive. It has to compete with countries that are perceived to offer better value for money and have a more attractive climate. Ireland does not compete well against these measures. One suspects that even the Dublin success is based on a transitory image and needs to be replaced by something more sustainable and marketable. Marketing should indeed be better than it is, but it only goes so far. There can be new tourism in Ireland but it will be for new customers of new products. Therefore there is a need to cultivate such new products to ensure sustainable tourism development in Ireland.

It is generally agreed that tourism will continue to be a successful industry only if further growth is managed in a sustainable manner. The principles of sustainable tourism development are gradually finding an important role in the tourism policy formulation and there is the opportunity to integrate these principles, as new products are developed and new customers are targeted. There needs to be a greater commitment at the political levels and this should filter down to all levels, although at the local level there seems to be more commitment to sustainable tourism development. It is only in the long term that the success and effectiveness of sustainable tourism development can be measured and possibly achieve results. However, at the local and in some cases the regional levels various actions are being implemented and showing signs of success stories. Certainly, the consciousness towards sustainable tourism development has increased, however, there is still the threat of short-term interests in this sector, which may undermine any efforts to implement sustainable tourism development principles. The concepts of prevention should strongly apply.

Tourism is recognised at both national and EU levels as a key economic sector in need of more sustainable management. Targeted policy measures and funding to promote and develop sustainable tourism will continue to be essential, particularly where high growth targets for visitor numbers are set. At present, there are few attempts in the tourism industry that combine the three dimensions of sustainability in an integral way. The task is to re-integrate ecological claims with social and economic ones in a more inclusive, more reflexive perspective on development processes. If this is done correctly the sustainability of tourism can be delivered over the course of the NDP 2007-2013.



Please see below for examples of how the concept of sustainability has been integrated in to the Irish tourism product focussing specifically on the environmental aspects of the industry:

### **The Green Box**<sup>101</sup>

The Green Box, which is Ireland's first area-based integrated ecotourism plan, was an initiative produced by the Western Development Tourism Programme (WDTP). It encompasses the area of Leitrim, West Cavan, Fermanagh, North Roscommon, North Sligo and South Donegal. The product offered is a holistic holiday experience; a combination of locally produced organic foods, quality local arts and crafts, low impact outdoor pursuits, a geo-park, holistic therapies and education features. The Green Box is an example of a local project that has taken the theory of sustainability and put it into practice to have minimal impact on the surrounding environment. It is a relatively new initiative and its success is still to be measured, but it possibly offers a model for further local initiatives if it is deemed to be successfully sustainable.

### **Greening Irish Hotels**<sup>102</sup>

The Irish Hospitality Institute officially launched the Greening Irish Hotels Programme in April 2005 and is due to run until September 2006. This is the largest and most comprehensive review and research into the environmental practices of the Hotel Industry in Ireland. The main objective of the Greening Irish Hotels Programme is to encourage hotels throughout Ireland to strive towards a higher standard of environmental performance by adapting processes and services in order to minimise negative impacts on the environment, whilst maintaining quality, productivity and competitiveness. The Greening Irish Hotels Programme identifies Environmental Best Practice for the Hotel Industry concentrating on three key areas: Energy, Water and Waste Management and to develop a model for application for every hotel in Ireland. The Programme seeks to promote environmentally friendly activities through the application of increased resource productivity, waste reduction, reuse of materials, energy management and a change of eco-culture within the hotel industry. The results will develop Performance Standards and Best Practice for the Irish hotel industry and will aid in ensuring the sustainability of Irish tourism in the future.

### **Blue Flag Beaches**<sup>103</sup>

In Ireland, in 2006 the jury awarded Blue Flags to 81 beaches and 3 marinas from a total of 88 beach and 4 marina applications. To gain a Blue Flag, beaches have to meet 29 criteria and marinas 22 criteria covering; water quality, beach/marina management, safety, services and facilities, environmental education and information. Each year, local authorities put forward beaches and marinas in their jurisdiction, for the award and must prove compliance with criteria. Private marina operators also put forward marinas as applicants. The Blue Flag for beaches is only valid during the official bathing season and for one season at a time and the season coincides with the official bathing season (June 1 to August 31). Only bathing areas designated as such by the Irish Government are eligible for the Blue Flag. Each summer in Ireland a team of assessors inspects all Blue Flag beaches and marinas to ensure compliance with criteria. If there is a breach of criteria local authorities are contacted and asked to act to ensure compliance. The increasing number of Irish beaches and marinas seeking and securing this award is a welcome step forward in ensuring the environmental sustainability of one of Irelands key tourism products.

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<sup>101</sup> 'The Green Box' Ireland's First Area-Based Integrated Ecotourism Plan (Western Development Tourism Programme), Executive Summary, page1

<sup>102</sup> Sourced from <http://www.greeningirishhotels.ie>

<sup>103</sup> Sourced from <http://www.antisce.org/projects/blueflag.html>

**Shannon Estuary – Bottlenose Dolphins**<sup>104</sup>

The Shannon Estuary is one of the most important sites in Europe for bottlenose dolphins. In 1999, the Irish Marine Institute supported the development of sensitive special-interest marine tourism on the West Clare Peninsula with a new niche eco-tourism market of dolphin watching. In response to the recognised potential of whale watching to the Shannon region the Shannon Dolphin and Wildlife Foundation (SDWF) was formed in March 2000 to formulate and implement a plan for the development of sustainable whale watching. The SDWF is committed to developing sustainable tourism, which ultimately benefits the dolphins and their habitat, as well as bringing economic benefit to the region.

A critical element in creating the framework for sustainable development was the designation of the Shannon estuary as a Marine Protected Area for bottlenose dolphins. The site and species involved fulfilled the appropriate criteria for nomination as a Special Area of Conservation (SAC) under the EU Habitats Directive (1992) and thus inclusion in the Natura 2000 network as bottlenose dolphins are listed under Annex II – species whose conservation requires the designation of SACs. All boat operators offering dolphin-watching tours subscribe to a monitored accreditation scheme and abide by a strict code of conduct so as not to disturb the dolphins or degrade their habitat. This project represents a valuable reference tool for further development of marine tourism, particularly in relation to the partnership approach generated between local tourism enterprises and key development agencies.

**Rural Environment Protection Scheme**<sup>105</sup>

In response to European regulation, the Irish Government introduced the Rural Environment Protection Scheme (generally known as REPS) in June 1994. It is a Scheme designed to reward farmers for carrying out their farming activities in an environmentally friendly manner and to bring about environmental improvement on existing farms. The regulation provides for programmes to compensate participating farmers in recognition of the private cost of environmentally benign practices.

The objectives of the Scheme are to:

- Establish farming practices and production methods which reflect the increasing concern for conservation, landscape protection and wider environmental problems;
- Protect wildlife habitats and endangered species of flora and fauna;
- Produce quality food in an extensive and environmentally friendly manner.

The overall design and objectives of the scheme lend themselves to environmentally sustainable development and the product at hand is fundamentally associated with tourism.

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<sup>104</sup> Sourced from 'Ireland's Environment', Environmental Protection Agency (2004) page 204; and Berrow, S.D. 'Developing sustainable whale watching in the Shannon estuary', (March 2003) International Whale watching Conference, Tenerife, Canary Islands, 14-15th March, 2003 (available at [http://www.shannondolphins.ie/downloads/Berrow\\_TenerifeShannon2003.pdf](http://www.shannondolphins.ie/downloads/Berrow_TenerifeShannon2003.pdf))

<sup>105</sup> 'An Analysis of the Rural Environmental Protection Scheme', Stephen Hynes & Eithne Murray, (April 2002) Department of Economics, NUIG; and <http://www.agriculture.gov.ie>