Planning for Sustainable Tourism: An Alternative Paradigm

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Abstract

This paper highlights key characteristics of the current mindset identified as responsible for increasing costs (private and public) associated with tourism industry expansion globally. It then identifies common elements of an alternative paradigm, contrasting its features with those of the established paradigm. It then identifies the implications of the new mindset for the attitudes and behaviour of major stakeholders in tourism-government/destination management organisations, operators, and tourists, as well as researchers. Unless a good proportion of individuals in each of these stakeholder groups change their attitudes and behaviour, no paradigm shift will succeed and the ‘business as usual’ scenario for tourism will prevail, along with its increasing social costs. The paper concludes by addressing the implications for behaviour by different groups of stakeholders.

Keywords: Tourism, sustainability, paradigm, impacts, responsibility
Introduction

Worldwide, tourism is associated with large growth both in numbers of persons and their expenditure, with forecasts that this situation will continue well into the future. While business operators and destination managers seek ways of expanding tourism, there is growing evidence that its continued expansion is now producing diminishing returns for providers and host communities that rely on volume growth to compensate for yield declines, as well as generating increasingly adverse social and environmental costs.

Despite widespread recognition of the importance of all tourism stakeholders adopting sustainability attitudes and practices, with a huge descriptive and prescriptive literature highlighting ‘best practice’, things seem to be getting worse. Globally, the industry is not implementing fast enough or strongly enough the measures necessary to reduce concomitant waste, to limit use of scarce resources of land and water, or to preserve the cultural heritage and biodiversity on which tourism depends. raising concern that tourism has reached a ‘tipping point’ of irreversible decline in quality.

The aims of this paper are: first, to identify key characteristics of the current mindset responsible for increasing costs (private and public) associated with tourism industry expansion globally (Road to Decline); second, to identify common elements of an alternative paradigm, contrasting its features with those of the established paradigm (Road to Rejuvenation); and, third, to discuss the implications of the new mindset for the attitudes and behaviour of major stakeholders in tourism.

Roads to Decline and Rejuvenation

The Road to Decline (Pollock, 2012) involves ‘business as usual’, ‘saluting while the ship sinks’. Despite the adoption of sustainability practices worldwide, there is no indication that tourism’s problems globally are being solved. Such practices do no more than inch firms toward reducing their negative impacts; firms focus on becoming ‘less unsustainable,’ rather than operating ‘more sustainably’. Despite the adoption of sustainability practices worldwide, such as Corporate Social Responsibility (CSR), Triple Bottom Line Reporting (Dwyer, 2005) and, more recently, Shared Corporate Value (Porter and Kramer, 2012) (REFS), there is no indication that tourism’s problems globally are being solved. Critics question both the rate of take-up of such practices as well as the strength of stakeholder commitment to them (Buckley, 2012). Ehrenfeld (2008) argues that current corporate sustainability and corporate social responsibility efforts are doing no more than inching firms toward reducing their negative impacts, and focusing on becoming ‘less unsustainable’ while overlooking the need to restore and rejuvenate, or move towards becoming ‘more sustainable.’ Others argue that in many
cases, firms espouse these principles but do not apply them in any serious way (Pollock, 2015). Even if a growing proportion of tourism operators were each to reduce the size of their negative social and environmental impacts, the expansion of tourism globally means that the absolute volume of negative impacts will continue to increase. We have every reason to be skeptical that widespread serious adoption of these practices will occur while current modes of thinking prevail. The attitude change necessary to support energetic and passionate implementation of sustainability practices seems to be more of an ‘elusive ideal’ so long as the current mindset prevails.

In contrast, the Road to Rejuvenation (Pollock, 2012) involves a more serious effort on the part of all tourism stakeholders to adopt ‘sustainability’ practices. This road is reserved for those stakeholders who have a different mindset from that which has dominated tourism firm strategies, destination planning and tourism policy. Many doubt that we can truly achieve a global tourism industry that develops sustainably while stakeholders think and attempt to implement strategies within the narrow box of the standard paradigm In the view of its critics, initiatives to promote the implementation of more sustainable operations in tourism will not suffice to reverse the ‘road to decline’ along which tourism is travelling given the current paradigm that is the mindset of major stakeholder groups. The problem as many critics see it is that many or most of the initiatives associated with sustainable practices operate within the same mindset or ‘paradigm’ that is responsible for ongoing generation of the adverse impacts in the first place. The critics’ plea is for tourism stakeholders to expose the unexamined assumptions that have guided their behaviour and to take more responsibility for all the stakeholders affected by their actions. In effect, the arguments equate to a plea for a paradigm shift (Kuhn 1974) whereby a new ‘Sustainability Model’ replaces the mindset that underpins the destructive practices associated with tourism growth.

The Established Mindset for Tourism Development

The established model is called the ‘Industrial Model’ (Pollock, 2012, 2015) or Production Model (TII, 2012). It is applied enthusiastically in developed and emerging markets worldwide. It supports development of mass tourism globally. Its implicit adoption is the underlying cause of tourism’s negative impacts.

We may identify several characteristic features of this mindset.

*Anthropocentric Ethic:* The view that the resources of the earth are solely of instrumental value for human use, their value limited to the pleasure and profit they bring to humans (Macbeth, 2005). This ethic drives tourism development word-wide and
influences the content of various environmental codes of conduct. It is responsible for the exploitation of nature and severe environmental degradation and crises such as global warming, the loss of biological diversity, scenic degradation, ecosystem destruction.

**Profit Maximisation.** A business firm’s purpose is to maximize returns to its shareholders, firms are only responsible to their shareholders and not to society as a whole (Freidman, 1970). Firms attempt to maximize profits with little regard to the costs imposed on other stakeholders (resource depletion, congestion, pollution, etc). Initiatives such as CRS, TBL are treated as costs rather than revenue earners. Businesses typically have short term decision making horizons. An implicit assumption of many industry players is that it is the (exclusive) role of government to address market failures.

**Growth Oriented/ Exploitative.** An implicit assumption of much of the tourism planning literature is that the market requires increasing and unlimited economic growth. Underpinning this attitude is the myth of super abundance of infinite resources in a finite world. For example, in WTTC’s Blueprint for New Tourism, which purports to address sustainability issues, tourism growth is lauded as an important goal for all destinations (WTTC, 2003). Growth becomes exploitative when linked to the profit-maximisation assumption, short term business goals and the anthropocentric ethic. There is widespread failure to price goods and services correctly according to social costs and benefits (producers and consumers get ‘wrong’ price signals).

**Product fixated.** Tourist ‘experiences’ are less important than product creation and sale to ‘customers’. Firms see themselves as producers who assemble, operate, package and price various travel ‘products’ through complex value chains and distribute them via distribution channels involving multiple intermediaries. Firms seek economies of scale which generates mass tourism. This also helps to explain the sameness, uniformity and mediocrity associated with tourism offerings worldwide (Pollock, 2012).

**Price.** Products are priced according to financial or private costs not social costs. Pricing is used as a competitive strategy irrespective of ‘value’. Social and environmental costs are regarded as ‘externalities’ and not factored into price determination (Pollock, 2015). This generates various ‘market failures’ from the over-production and over-consumption of such goods and services.

**Space.** The established paradigm views space as real estate to be carved up and enhanced with amenities and infrastructure. The Place is perceived to be less important than the Product. Resident ‘sense of place’ is regarded as irrelevant (Pollock, 2015). This attitude minimises the role of an interactive host community in generating tourism experiences.
Promotion. Firms position and brand their products in the marketplace. They identify tourists not as people but as ‘market segments’ to be targeted and persuaded to purchase a product at the best price the supplier can achieve (Pollock, 2012) ‘Ideal tourists’ are big spenders – those willing to pay more than others to enhance sales and profits. In the mission statements of DMOs, expenditure per day or per trip is the most common preferred attribute of tourists. There is little recognition that expenditure measures per se ignore the social and environmental costs and benefits associated with different visitor market segments. This leads to a neglect of the essential question: who really is the ‘ideal’ tourist?

Meanwhile, Tourism continues to grow worldwide.

Demand side: increased longevity, increasing urbanisation, higher standards of health care, changing work patterns with more flexibility of travel plans, wider spread of education, migration, stress management through holiday escapes, changes in people’s values and needs, aspirations.

Supply side: developments in ICT and transportation, deregulation and liberalisation of air transport and ‘open skies’ policy, tourism is now a serious development strategy for the less developed world, with the support of institutions such as the World Bank and International Monetary Fund; globalisation of social networks will drive further growth of tourism and travel.

The UNWTO (2002) projects tourism to grow at 4.1% annually at least to 2030, fuelled primarily by economic growth internationally. A dynamic world economy creates the economic basis for continued growth in domestic and international tourism worldwide, as the ‘new wealthy’ seek new experiences. As incomes grow, people shift their discretionary expenditure towards experiences as opposed to products, including tourism. World Population, growing at 1.14% annually, is expected to reach 9 billion by 2040, and 11 billion by 2100. More people, a bigger world economy, means more tourists.

New Paradigm for Tourism Research and Development

Tourism development strategies for all destinations are typically growth oriented. But how will we cope with the adverse environmental and social impacts? How will firms cope with greater decline in margins, greater risks and greater income volatility, higher input costs (energy, food, supplies), disengaged employees, and more demanding
consumers? How will we handle pollution and congestion? How will we avoid resident backlash? How will we protect vulnerable people and cultures? Tourism development based on the standard mindset is sowing the seeds of its own destruction (Ateljevic, 2011; Pollock 2012, TII, 2012).

The established paradigm on which tourism development is based comprises assumptions that are inconsistent with best business practice and its consequences for action are inconsistent with the values and needs of people globally. The established paradigm is demonstrably failing:

*internally*, as its driving assumptions do not reflect current attitudes of progressive thinkers and are also inconsistent with the views of growing numbers of tourism stakeholders.

*externally*, as its implications for tourism development and policy register increasing concern.

While tourism’s critics may individually adhere to different politico-economic, social, and environmental attitudes and philosophies, there are certain propositions that they support in common even though they might disagree with the specific consequences for policy making. Of course, there are potentially numerous paradigms that could serve as an alternative paradigm for thinking about tourism and implementing strategies for its development (or even de-development). Different researchers emphasise different aspects of the new way of thinking. No single set of underlying principles is adhered to by all critics. The starting point for visualizing a new model is to imagine a preferred set of outcomes. Given this, a Sustainability mindset would include the following characteristics at least.

- Environmental ethic replacing Anthropocentric ethic
- Benefit replacing Profit
- Protection replacing Exploitation/Growth
- People replacing Product
- Value replacing Price
- Place replacing Space
- Pull replacing Promotion
The alternative paradigms are displayed in Table 1.

### Table 1. Two mindsets regarding tourism development

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<th>Established Mindset</th>
<th>Sustainability Mindset</th>
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<td>Anthropocentric Ethic</td>
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<td>Profit</td>
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<td>Growth/exploitation</td>
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*Environmental ethics* recognize and takes responsibility for the impact of human activity on natural systems and habitat. They extend the traditional boundaries of ethics from solely including humans to including the non-human world. They emphasise human responsibility to nature and the remote future and affirms the value of protecting, conserving, and efficiently using resources that the earth provides (Holden, 2003). There are three main types of EE:

- Prudent (Enlightened)Anthropocentrism
- Biocentrism
- Ecocentrism

Prudent Anthropocentrism affirms that the moral duties we have towards the environment are derived from our direct duties to its human inhabitants. It affirms respect for all life with responsibility to protect natural and cultural/heritage environments. It advocates the wise use of global natural resources to ensure the sustained yield of those resources in perpetuity. Tourism industry stakeholders assume the obligation to protect and maintain the heritage resources of our planet to be passed on unimpaired to future generations.

Prudent Anthropocentrism is necessary for the Cost Benefit Analysis of planning/investment options and tourism codes of conduct. It provides the ethical basis for the Responsibility Principle, wherein access to environmental resources carries attendant responsibilities to use them in an ecologically sustainable, economically efficient, and socially fair manner.

*Benefits* can be discussed on two levels:
At the operator level, net benefit includes the notion of higher returns to all stakeholders. The social and environmental impacts of firm operations can be built into firms’ business models, rather than being addressed as ‘optional extras’.

Business values are changing in respect of the responsibilities of the firm. A growing number of CEO’s and their companies reject the prevailing narrow view of business purpose as focussed on profitability. Instead, they are striving to create long term value for all their stakeholders, including customers, employees, suppliers, communities, and investors. Related perspectives include Blended Value (Kickul, Janssen-Selvadorai & Griffiths, 2012), Bottom of Pyramid (Prahalad & Hart, 1999), Creating Shared Value (Porter & Kramer, 2011), Conscious Capitalism (Mackay & Sisodia, 2013) and Thrivability (Russell, 2013). What such critics have in common is a conviction that businesses must think beyond immediate, instrumental, self-interest and consider a broader context of benefits that include customers, employees, suppliers and buyers, and communities as well as the social and natural environments of which they are a part. So called ‘conscious’ or ‘hybrid’ firms attempt to attract stakeholders who are in alignment with company values and purpose. This generates maximum long-term value for each individual business opportunity because all of the stakeholders are fully engaged, potentially driving down costs while building stronger relationships. These firms are characterised by their emphasis on: driving positive social/environmental change as an organizational objective; creating mutually beneficial relationships with stakeholders; interacting progressively with the market, competitors, and industry institutions; enabled by sustainability based organizational values, long-time horizons for slower growth, and positive leadership (Haigh & Hoffman, 2012. Two types of justification support this wider view of firms’ responsibilities: not only is this the right thing to do, but evidence is mounting that such businesses significantly outperform traditional businesses in financial terms, while also creating many other forms of well-being (Sheth, Sisodia & Wolfe, 2003).

At the Destination level, the success of destinations must be redefined from volume of trips/expenditure to net benefit generated. Economic impact analysis is too narrow a basis for assessing effects of tourism planning, development and public policy since it excludes consideration of the social and environmental effects. Economic modelling should estimate changes in economic welfare as well as attempt to evaluate the social and environmental changes resulting from tourism development. The ideal approach is cost benefit analysis and this should be employed in project and policy evaluation wherever possible.
Protection. Protection encompasses environmental sustainability, social justice and cultural rejuvenation. Protective behaviour towards social and natural resources can be underpinned by the ethic of prudential anthropocentrism. On an environmental ethic it is not morally right for tourism providers to simply exploit landscapes, ecosystems, cultures and diverse fauna and flora in order to sell services to visitors. It is in the host’s best interest to become proactive champions, stewards and custodians of the natural environment and cultural context. Conscious or Hybrid organizations as discussed above, consider that nature provides system-wide value that benefits society, and consider its integrity as a worthwhile pursuit.

People. Instead of starting with a product, we start with people and their experiences. Tourism is not about objective things that can be produced, but about experiences that can only be had by the person having the experience in a particular place. It’s all about people meeting, serving, taking care of, and entertaining other people. The primary unit of activity is a relationship, not a transaction. Connectedness and interdependence are emphasised. The guest is not seen as an object or market segment to be exploited or processed but as a respected co-creator of value (Pollock, 2015).

Place. Tourist destinations are places valued, celebrated, expressed and experienced, conceiving and delivering services in a way that respects and reflects the unique setting adds value to the visitor’s experience. An emphasis on Place provides opportunity to sustain value because every place is unique. Tourist destinations are akin to ‘Protected Landscapes’ (Phillips, 2003). This recognises the critical links between nature, culture, and community for long-term sustainability of conservation. Communities living in or near these landscapes are central to sustaining them. Hosts must recognise the importance of an inclusive, participatory, and democratic process for accomplishing conservation.

Value. Prices must cover total costs (financial plus social) associated with any tourist activity; thus, the value of ‘externalities’ should be factored into price. This also overcomes the boundary problem; operators should pay for many of the ‘ecosystem services’ on which their business depends (user pays). Resources should be valued at their Total Economic Value (TEV) (use plus non use value).

New consumer values are emerging. The rise in ethical consumerism mirrors the supply side rise of the hybrid organization. The rise of the socially conscious and environmentally conscious consumer is generating new patterns of tourist behaviour, (Dwyer et al., 2009) Pollock, 2012). Consumers are becoming more aware of the environmental and social implications of their day-to-day consumer decisions and make purchasing decisions related to their environmental and ethical concerns. Numerous
major research sources show support for the emergence of the ‘mindful’, or ‘conscientious’ consumer, as evidenced by their willingness to pay more for products with social and environmental benefits, and to buy from responsible companies. In many destinations worldwide, socially conscious consumers have driven a market for goods and services focused on health, green building, eco-tourism, alternative energy and transport, and natural lifestyles. They would prefer to buy products from companies that give back to society; they would prefer to work for such companies, would prefer to invest in such companies, and would be willing to pay extra for products and services from these companies (Haigh & Hoffman, 2012). A new and growing demographic of individuals are ‘values aspirational’, placing a higher value on healthy living, environmental and social justice, and ecological sustainability in the products and services they purchase, the companies in which they invest, the politicians and policies they support, the companies for which they work and, ultimately, the lifestyles they lead (Szmigin et al., 2009). Aspirational consumers make purchase decisions based on total value not lowest price, seeking meaningful experiences rather than more stuff, actively co-creating content, products and experiences rather than a passive recipient of brand communications.

These changing consumer values are not passing trends or superficial changes in operator values or consumer preferences, but reflect a much deeper more radical shift in demographic changes and worldview (Mackay & Sisodia, 2014). Researchers have begun to explore the implications of the new mindset for the attitudes and behaviour of major stakeholders in tourism-government/destination management organisations, operators, and tourists, as well as consultants and researchers (Szmigin, et al., 2009; Pollock, 2015).

Pull relates to the biggest challenge most hosts face on a daily basis: attracting the right customer. Thanks to global connectivity, power has shifted from producer to consumer and the marketing function has turned upside down. There is now a much greater role for customer relationship marketing and social marketing. The passion of all hosts (employees, suppliers, residents) can combine to Pull in (attract) the kind of guest who will most value what is on offer (Pollock, 2015). The challenge is to attract the right customer – the one who truly values what the provider has to offer. This is the ‘ideal’ tourist.

The above represents early steps towards creating an alternative mindset that can support tourism development in the future. We now identify a set of actions that characterise responsible behaviour by key tourism stakeholder groups.

**Implications for Key Stakeholder Groups**
The Responsible Operator

The behaviour of the sustainable operator is characterised by several features that result from internalising elements of the alternative mindset:

**Integrative:** integrates ethics, social responsibility, and sustainability practices into core business strategies

**Higher Purpose:** performance is judged by social and environmental as well as financial criteria.

**Stakeholder orientation:** creating mutually beneficial relationships (financial, social, environmental) with all stakeholders; attempt to attract stakeholders who are in alignment with the core purpose and values of the company.

**Healthy Cultures:** organizational cultures manifest a strong sense of ‘community’ with high levels of employee participation in decision making and the sharing of ownership and profits.

**Socially Responsible Investment:** integrates social, environmental, and ethical considerations into investment decision-making - exerts pressure on corporations to behave responsibly

**Customer Relationship Marketing:** Relationship marketing is a facet of customer relationship management that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales. The goal of relationship marketing (or customer relationship marketing) is to create strong, even emotional, customer connections to a brand that can lead to ongoing business, free word-of-mouth promotion and information from customers that can generate leads.

**Conscious leadership:** seek to diffuse acceptance of their business model throughout the institutions and markets in which they operate.

The Responsible Tourist

The responsible tourist possesses greater social, cultural and environmental awareness regarding tourism’s impacts. He/she wants to learn and grow as a result of travel, with experiences that change, transform and enrich. The responsible tourist prefers to deal with environmentally and socially responsible operators. He/she recognises that health, happiness and wellbeing cannot be achieved exclusively through acquisition of material goods. The responsible tourist seeks quality over quantity and experiences over products. There is now an increased potential for effective tourist codes of conduct to be devised for particular destinations.
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The Responsible Government

There are several functions of a DMO that can be informed by the new mindset:

Marketing function: creating awareness of destination, brand, image success of destinations must be redefined from volume of trips/expenditure to net benefit generated. The DMO needs to recognise the importance of Pull of ‘ideal tourists’. Creating community pride in respect of tourism industry (internal marketing)

Development function: a robust tourism industry generating new income, employment, and taxes contributing to a more diversified local economy. There is need for the internalisation of a sustainability ethic with wider set of driving values; community consultation.

Assessment function: project and policy evaluation must go beyond impact assessment; CBA, EIA; full cost allocation; longer planning horizons; precautionary principle; identifying gainers and losers;

Coordination function: effective governance with coherent policy framework to guide and drive action and appropriate bodies to implement policies. DMO must value community consultation facilitating a visioning process to imagine what they would like their community to be.

Protection function: safeguarding, rejuvenating and interpreting the elements of a place that make it unique and attractive and that sustain its perceived value the destination as a ‘Protected Landscape’

The Responsible Host Community

Communities can identify what is really valued or desired. Communities must ask: what type of tourism do we want (if any)? Hosts (local residents) assume a broader range of responsibilities that include: Safeguarding, protecting, rejuvenating, and interpreting the elements of a place that make it unique and attractive and that sustain its perceived value (Blackstock, 2005). Hosts can also be called upon to express what it means to their community to act as host (resident marketing of destination). Local residents should act as welcoming hosts given the potential disbursed benefits of tourism activity
How to Change?

Bottom up (demand side). Change will come from a collective effort conducted at the grassroots in communities where tourism hosts commit to ensuring that their economic activity benefits all stakeholders. It will also occur where tourism stakeholders take responsibility for minimizing the environmental footprint and work actively to ensure that local cultural values are maintained. Change can come bubbling up from communities – perhaps started by individuals but spread by connections and community and accelerated by passion and enthusiasm. Tourists themselves have an important role to play (Barr, Gilg & Shaw, 2011).

Top down (supply side). Operators become effective agents of change and stewards of all that the local community value. Government leadership will play an important role in promoting new operator and consumer values. Community leadership can promote importance of host range of responsibilities and articulating community vision (Blackstock, 2005).

Conclusion

Business as Usual in tourism development implies taking Road to Decline. New ways of thinking are required if tourism is to develop sustainability with positive contribution to peoples quality of life (Road to Rejuvenation). Some positive trends are evident eg. changing consumer values and changing operator values. Consistent with these changing values tourism needs a change of ‘paradigm’. Different elements of the new paradigm have relevance for different tourism stakeholders. We attempted to build a profile of: the responsible operator, the responsible tourist, the responsible government and the responsible host. Only if all stakeholder groups act consistently based on the identified values will economic development be compatible with sustainable tourism and quality of life.

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