



Societal Value of Tourism and Recreation

Foreword

What would the world and our country look like without a hospitality sector? An essential question in this corona time.

Accounting for an annual turnover of 91.2 billion euro and employment for 813,000 people, the broad hospitality sector - including domestic, inbound and outbound tourism, overnight and daytrip recreation, hospitality, sports, culture, trade fairs, exhibitions and conferences, transportation of tourists and recreationists, and events - is of evident economic significance. This report will demonstrate that the sector is also deeply rooted in and contributes to our society. Gastvrij Nederland commissioned CELTH, the Centre of Expertise Leisure Tourism and Hospitality of Breda University of Applied Sciences (BUas), HZ University of Applied Sciences (HZ) and NHL Stenden University of Applied Sciences (NHL Stenden) to undertake a study of the societal value of the sector, and how this value can be preserved and enhanced.

The sector feels a strong responsibility for our health and well-being: by facilitating mutual connection and (business) meetings between people, by encouraging people to get moving – literally and figuratively – and spend their leisure time in a meaningful manner, by livening things up and by providing much-needed knowledge and relaxation. If the corona pandemic has taught us anything, it is how deeply these basic human needs are ingrained in our collective DNA.

The Netherlands is yearning for breathing space and freedom. A major challenge awaits in terms of working towards sustainable economic recovery, restoration of the well-being of all Dutch people and reconstruction of an attractive living environment after corona. A well-balanced development of tourism and recreation

will make an indispensable contribution to this. Entrepreneurs in the hospitality sector are chomping at the bit to make this possible. The right preconditions are needed to preserve and enhance the positive societal value of tourism and recreation. Close cooperation between government authorities, entrepreneurs and education and knowledge institutes, as well as the active involvement of local residents, is necessary. This study describes the need and provides comprehensive justification for it. We call on all government authorities at all levels – national, provincial and municipal – to join us in enabling everyone to enjoy what the hospitality sector has to offer.

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Summary

What would Dutch society lose if the Tourism and Recreation sector does not survive and what is needed to preserve its societal value and, preferably even, enhance this value? Gastvrij Nederland asked CELTH, the Centre of Expertise Leisure, Tourism & Hospitality of Breda University of Applied Sciences, HZ University of Applied Sciences and NHL Stenden University of Applied Sciences to answer this question.

In this report we have set out the societal value of tourism and recreation (T&R) across the full breadth of the sector (*including domestic, inbound and outbound tourism, overnight and daytrip recreation, hospitality, sports, culture, business hospitality, transportation of tourists and recreationists, and events*). In the pre-corona age, the sector's value mainly used to be translated into its huge direct economic value. On the one hand this is logical and justified, given the enormous contribution of T&R to the Dutch GDP and employment, on the other hand the sector is more than just turnover and jobs. After all, the importance of T&R is deeply embedded in society. The sector contributes to the success of other sectors (revenue and employment for suppliers, business climate, etc.) and contributes to societal challenges (quality of life, happiness, inclusion, etc.).

We used a combination of methods to answer the research question: a literature study, case studies, and a survey among

entrepreneurs. A substantial number of scientific articles, advisory reports and conference contributions were analysed in various contexts and for different forms of T&R. In the *literature study* we brought together the societal contributions in a structured manner. The cases reflect the breadth of the sector and serve as good examples of how the sector achieves its societal value, but they also illustrate the challenges. The *survey* produced several insights. We asked respondents, for instance, to indicate for each societal value whether they saw a positive, negative or no contribution of the sector. By means of a points system, we composed a top 25.

Table 1 presents this top 25. We will use this table, in this summary, to structure the findings from our study.

Table 1. List of scores from the survey into the contribution of T&R to societal values

Indicator	Position in Top-25	% Positive influence	% Negative influence
Employment	1	97%	0%
Revenue for business, residents and government	2	96%	0%
Revenue for suppliers	3	95%	0%
Quality and quantity of hospitality establishments	4	94%	6%
Quality and quantity of recreational facilities (museums, theme parks, etc.)	5	91%	2%
Business climate of the region	6	82%	2%
Route networks for cycling, walking, boating, etc.	7	92%	2%
T&R decreases dependency on other sectors (negative influence: region is too dependent on T&R)	8	69%	21%
Quality of cultural heritage	9	87%	3%
Special or leading events	10	85%	2%
Residents' pride with the region	11	92%	5%
Quality of natural heritage	12	68%	25%
Meetings between people	13	85%	4%
Diversity	14	71%	7%
Inclusiveness	15	73%	4%
Quantity and quality of public facilities	16	59%	3%
Knowledge development and innovation	17	75%	1%
Education and jobs for underprivileged people	18	60%	2%
Quality and quantity of retail	19	83%	7%
Opportunities for employees in terms of acquiring skills	20	88%	1%
Career prospects	21	79%	0%
Social cohesion	22	58%	11%
Infrastructure and mobility	23	68%	15%
Quality of public spaces	24	77%	9%
Quality and quantity of public transport	25	65%	4%

- Economic value
- Value for the living environment
- Value for social processes

Economic value

Not surprisingly, **economic values** score highly. The contribution of T&R to revenue of business, residents and government (no. 2 in the top 25) is widely acknowledged. In 2019, the year prior to the corona pandemic, the economic impact of the sector in the Netherlands was based on 91.2 billion in tourism and recreation spending. This concerns spending by Dutch and foreign daytrip and overnight visitors in the Netherlands, but also spending in the Netherlands by outbound tourists. This spending led in 2019 to a contribution of 4.4% to the Dutch GDP, considerably more than agriculture (nearly twice as much) and oil and gas extraction, and a share in employment (no. 1 in the top 25) of 7.5% (813,000 jobs). Apart from the absolute number of jobs, the sector also creates value due to the diversity of jobs; diversity in terms of types of positions and required qualifications. Within the sector, people can also learn new skills (no. 20) and lay a foundation for their future career (no. 21). Suppliers and staff of suppliers also benefit from T&R. The indirect effects lead to revenue and employment for these suppliers (no. 3).

T&R is closely related to other sectors. T&R can make a region less dependent on other sectors (no. 8), although the literature and the sector also warn against too much dependence on T&R. Several tourism and recreation organisations/companies, such as the Textielmuseum (Textile Museum), support a specific sector, and bring it to the attention of the public. This can contribute to the level of support and acceptance for this sector (for example, in the form of subsidies), changes in consumer behaviour, and create interest in working in that specific sector. T&R can boost the local economy and contribute to the business climate (no. 6). More visits lead to more revenue, more employment and more spending. As a result, the threshold value of shops and other facilities is reached more quickly, giving rise to more opportunities for both existing and new businesses. This is particularly interesting for regions that

are confronted with population contraction. It was demonstrated that T&R has a price-increasing effect, which enables the companies in the tourism region to achieve higher margins. In the housing market, generally speaking, property prices rise when a destination is in demand by tourists. This is a positive thing for property owners. The downside, which is that both developments may also confront residents with higher prices, is compensated – either fully or partially – by the fact that residents, via T&R, gain access to more opportunities in terms of work and income. For instance, T&R can make a positive contribution to the opportunities for residents to make a living. The interconnectedness of T&R with other sectors and with society calls for collaboration with other sectors. From the perspective of this collaboration, T&R can serve as an innovative resource (no. 17).

Value of participation in T&R

Participation in T&R is of major value to all people. The relationship between well-being and leisure has been widely researched and proven. One of the basic concepts in this respect is ‘happiness’. Holiday-makers generally feel better during their holiday, compared to their everyday lives. This stems from psychological well-being and psychological growth (fun and relaxation reduce stress and T&R creates scope for reflection), being active, connections with others (contact, sociability, emotional security, love, social connectedness, and a ‘we’ feeling), satisfaction about their spending, and comfort. The respondents of this survey acknowledge this and indicate that their

Value for the living environment

The value of tourism for the **living environment** is explicitly represented in the above-mentioned top 25 values. The living environment is part of the tourism and recreation product and, at the same time, is influenced by it. As a result, T&R has a direct influence, both positively and negatively, on residents' quality of life. Although several population surveys (in the provinces of Friesland, Limburg, Zeeland) show that residents mainly support T&R, they do not close their eyes to its potentially negative effects.

One of the ways in which T&R contributes (directly) to the living environment, involves the fact that tourism and recreation facilities and hospitality businesses offer their services and products to residents within the region (no. 4 and 5). These residents are often even their regular guests. Here, residents find relaxation and distraction, and the products and services (provided that there is sufficient quantity, quality and diversity) may improve their quality of life and appreciation of their living environment. The businesses/organisations that took part in the survey mention their active contribution to the realisation of route networks for cycling, walking and boating (no. 7). As for the organisation of leading business and public events (no. 10), it is reported that the presence of tourists and recreationists and the attendant facilities make a region interesting in terms of planning events on the one hand, and that these events contribute to the attractiveness of the region for visitors on the other hand.

The contribution of T&R to retail (no. 19) is created when it actually leads to a diverse and high-quality range of products and services, or can ensure that certain desired products and services do not disappear. This downside is also referred to in the literature and the survey; when there are too many visitors or visitors are incompatible with the range of products and services on offer, the chance of overexploitation is great. Just

think of the one-sided range of, for instance, cheese and souvenir shops in Amsterdam city centre.

As for the relationship between T&R and cultural (no. 9) and natural (no. 12) heritage, heritage makes the region attractive to tourists and recreationists on the one hand and T&R can contribute to the preservation and accessibility of this heritage on the other hand. Just think of revenue from visitor spending used for maintenance, preserving crafts and traditions, investments from the sector in culture and nature, T&R as a justification for government investments in nature and culture, and raising awareness for the value of nature and culture. Proper destination management, however, is needed to avoid that (too much) T&R puts too much pressure on this heritage and/or leads to high/higher costs of maintenance. The sector acknowledges this and is mindful, for example, of the development of tourism and recreation facilities in line with the existing style of the cultural heritage, waste management, circular construction/building, and other sustainability elements. Respondents of the survey and various resident surveys acknowledge the positive contribution of T&R to public facilities and infrastructure (no. 16). They see that T&R leads to more investments and a higher level of support and acceptance for new public facilities, such as public transport, healthcare, police and road network, and that synergy can arise between the needs of visitors and residents (just think of bus services for tourists that can also be used by residents). Of course, there is also a downside here: visitors can also cause pressure on these facilities. It is important for visitors to be included in the planning and budget of the facilities. As for the quality of public spaces (no. 24) too, residents realise that the investments made from the perspective of T&R can also work out positively for them. Moreover, the presence of tourists and recreationists brings atmosphere, liveliness and sociability. In places where there are (too) many tourists, however, the influence can turn around from positive to negative.

Value for social processes

The contributions that T&R makes to **social processes** can mainly be found in the second half of the top 25. After all, these are effects that not everyone will notice immediately or that may be somewhat less obvious.

The presence of tourists and recreationists can contribute to a sense of safety. This is the case, for instance, when planners provide for cycling and walking paths, green infrastructure and routes designed to accommodate visitor flows. At the same time, T&R can also have a negative influence on perceived safety (theft, gambling, vandalism, addiction).

A lot has been written about T&R and regional pride (no. 11). With the arrival of visitors, residents appreciate their own living environment and culture differently. They feel proud, because apparently their region is worth coming to. Tourism and recreation facilities (sport stadiums, museums, special buildings) take on iconic value, which contributes to the region's identity. The use of regional stories, meaning and symbols within tourism may further strengthen that identity, although the danger of commodification is lurking. Involving residents in destination development is a condition to facilitate growth of the identity and culture rather than damage them.

T&R can lead to cultural exchange (referred to in the survey as 'meetings between people' – no. 13). When groups of people from different backgrounds and cultures have contact with and get to know each other, they can eliminate prejudice and make friends. Contacts between residents and tourism/recreation businesses are an extension of contacts between residents and visitors. The businesses/organisations that took part in the survey regard residents as guests (52%), employees (50%), ambassadors (30%) or advisors (27%) and rate their contacts with them primarily as (highly) intensive (56%) and (highly) positive (80%). Of the organisations, 80% feel that residents are aware of the societal value of T&R. Of the respondents, 70% believe that this also applies to the image that residents have of their organisation specifically.

Within the businesses/organisations of the T&R sector there are employees with many different backgrounds, ages and levels of education. That is why inclusiveness (no. 15) is important to the tourism and recreation sector. The sector offers employment for, among others, lowly skilled workers, women, youth and people in rural (shrinking) regions – and offers education and jobs to underprivileged people (no. 18). The sector is also becoming increasingly aware of diversity (no. 14). Just think of museums and other cultural institutions which actively promote diversity. As a consequence of the role that the sector plays in bringing people together (also see above), it may contribute significantly to social cohesion (no. 22).

Conclusions and recommendations

Based on the foregoing, the conclusion is that T&R should be regarded as an economic sector of considerable size, which contributes indirectly to many other sectors, enhances quality of life, makes people happier, connects groups of people, and as such, serves as the 'social cement between the bricks'. The measures introduced as a result of the corona pandemic have explicitly revealed the effects that the near closure of the sector has on society.

We have also arrived at the conclusion that the sector needs assistance and preconditions in order to preserve its societal value and, if possible, enhance this value. In the survey and the cases, we interviewed organisations/businesses from the sector about what roles the various stakeholders in their environment should play. Relevant stakeholders mentioned include government authorities (national, provincial, local), sector organisations, education and knowledge institutes, banks and the UWV (Employee Insurance Agency). The organisations/businesses reported that the preservation and/or enhancement of societal value requires a distinct focus

– in conjunction with these stakeholders – on *collaboration, involving residents, and developing and sharing knowledge about achieving balance.*

The fact that the sector is closely entwined with and related to many other sectors and policy domains (nature, health, infrastructure, spatial planning, water, mobility, liveability, health and well-being) means that all government authorities and levels are asked to apply a broad-based and integrated course of action and facilitate proper coordination and alignment with other sectors. Furthermore, it is important to think and move along with them and support them in new initiatives.

The advice for the *national government* is to reduce its distance to entrepreneurs by taking T&R – as a business sector – seriously, focusing more explicitly on the national government's knowledge about and of T&R, embedding T&R in a logical position within the national government, and by taking control as the national government. To date, proper coordination is lacking, and crucial choices are too often left to provinces, municipalities and other decentral-level parties, without a clear assessment framework. The national government is asked to emphatically take up this gauntlet.



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Credits

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