



BLUE ECONOMY AND CRUISE TOURISM. WHAT EVIDENCES?

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ABSTRACT

The European Union hopes for an integrated approach between States to promote a sustainable use of marine resources, thus helping to preserve ecosystems. Activities connected to the so-called blue economy generate a multiply effect on the sea economy, cruise sailing is one of the segments showing encouraging growth prospects. The adoption of an integrated long-term strategic approach can be an efficient system to capture this economic opportunity in areas with strong geographic competitiveness.

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INTRODUCTION

The positive externalities of Blue Economy

The dual role played by the sea, being at the same time an important resource to defend and a possible flywheel for the economy of both coastal and inner territory (Ministry of the Environment and the Protection of the Territory and the Sea, Unioncamere, 2014), is increasingly recognised by policy makers and decision makers, working for years in finding optimal solutions that are able to combine two aspects for long considered antithetic. The principles of environmental protection and those of economic growth can find interesting points of contact, and innovative synthesis, in actions that are aimed at implementing a truly sustainable, and primarily all inclusive, development that is technologically advanced and as endogenous as possible.

The European Union, with the Directive "establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive)" (2008 / CE / 56), consider the importance of these elements and recalls the need in adopting an integrated and cooperative approach between states, to promote sustainable use of marine resources and thus promote the conservation of ecosystems. The opportunity to gather the challenges deriving from an efficient use of sea resources for growth and job creation is also underlined in the "Declaration of Limassol",

approved in Nicosia in October 2012 during the informal conference between EU Member State ministries for the development of an integrated marine policy¹.

However, it's with the communication from the European Commission about the Blue Growth (COM / 2012/494 final), that the emphasis is put firmly on the importance of the sea and coasts for the sustainable development of the territories. The Commission points out new perspectives for the so-called *blue economy*, paying particular attention to border areas, seaports and coasts which, because of their physical and functional conformation, represent privileged sites for new experiments between traditional practices and innovative uses². The concept of blue economy named in the document refers to a chain-based and interdependent sectors economy, sharing common skills and infrastructures "... such as ports and electricity distribution networks. They depend on others using the sea sustainably".

Among the sectors included in the blue economy are those of fisheries, which includes fishing, fish processing, wholesale and retail, the marine extraction industry (eg salt extraction, oil and gas), shipbuilding (with particular reference to the realities involved in the construction of pleasure boats, sport boats and shipyards in general), goods handling, passengers, housing and catering services, research, regulation and environmental protection, and sports and recreational activities (Unioncamere, 2016, p. 11).

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¹ <http://register.consilium.europa.eu/doc/srv?l=IT&f=ST%2014792%202012%20INIT>

² The Blue economy is a resource that can generate wealth, employment and innovation in a participatory, collaborative and sustainable model. The sea unites the productive sectors and the different traditions spread throughout the territory, becoming an extraordinary lever for the revival of the Italian economy ... "(D'Oronzio, Licciardo, 2016, p.1)

There are many positive externalities on the social and employment profile deriving from the blue economy (Monaco, Prouzet, 2014, OECD, 2016). According to the Blue Growth Survey made by Ecorys (2012), the sea economy in the European Union, with € 500 billion per year of added value, origins 5.4 million jobs³. The seaside sector is confirmed to be a strategic sector in Italy as well as emerged during the second "National Forum on Portuality and Logistics" organised by the Ministry of Infrastructure and Transport and the Mediterranean Motorways Network (RAM) in Livorno, in April 2017. Such evidence had been brought to light by the Union Chamber of Commerce's in their earlier fifth Sea Economy Report (2016). The study shows the large number of businesses in the Italian blue economy, with more than 185,000 companies, equal to 3% of the total nationwide, with a growing trend especially in recent years. Among the regions with the highest incidence of sea-related businesses, Liguria is ranked first with 9%, Sardinia with 5.6% and Lazio with 5, 1%. The number of workers employed by these companies is important, ranging around 835,000 people distributed in different sectors. Among these, a central role is played by marine tourism, in association with the maritime transport sector and the shipbuilding chain. The latter represents one of the most established sectors in the Made in Italy production, with regard to the production of luxury yachts and megayachts (MPS, 2010).

The multiplier effect of the sea economy is interesting. For each euro produced in the activities related to the blue economy, 1.9 euro is generated in average, in the remaining economic sectors, with favourable effects on the territories which are also made more competitive, thanks to these dynamics created by the production chains activated. In regard to the total added value attributed to the sea economy, Unioncamere (2016) points out that in 2015 it passed 42 billion euros, with an estimation an extra 80 billion generated on the rest of the economy, and a total amount of 122.9 billion euros. Among the sectors contributing the most to the creation of this added value, are those of "goods handling and passengers" (7.7 billion), "accommodation and catering" (12.8 billion), "shipyard" (6.6 Billion) and those activities related to "Research, regulation and environmental protection" (7.5 billion). Overall, each sector contributes differently to the framework of activities that compose the "Maritime, Coastal and Cruise Tourism", one of the five valuable chains identified by the European Commission for Sustainable Growth and Employment to blue growth⁴.

The sea between economy and environmental sustainability

Within the areas identified for priority intervention by the Commission for the pursuit of blue growth, there is the maritime, coastal and cruise tourism, a multifaceted and fragmented sector whose weight, in terms of occupations and activities involved, is certified by numbers that give it growing more and more⁵.

³ These encouraging data, whose trends are growing, have also been confirmed during the recent Blue Economy Med Italian Summit, organized by C & G Blue Vision, Unioncamere, Federagenti and Legambiente, held in Rome in February 2017.

⁴ The European Commission, recognising the importance of the sea economy, identifies five areas for an efficient implementation of the blue economy: 1) Blue Energy; 2) Aquaculture; 3) Maritime, Coastal and Cruise Tourism; 4) Marine Mineral Resources; 5) Blue Biotechnology.

⁵ "Coastal and maritime tourism is the largest maritime activity in Europe and closely linked to many other parts of the economy. It employs almost 3.2 million people, generating a total of € 183 billion in gross value added and representing over one third of

Underlining the importance of the good state of the environment for the success of this sector⁶, the Commission, with its communication of 2014 (COM / 2014/86 final), hopes to find innovative solutions to the pressures problem on the environment⁷, underlining how to reduce emissions from boats and from recreational craft through the increased diffusion of new technologies and the efficient use of power supply distribution net⁸.

Translating these ideas into concrete solutions has, as a first effect, the increase of the territorial competitiveness in the various tourist destinations, destinations which are called to do green and blue sustainability actions that have to be implemented through behaviours that are aimed at strengthening the territorial cohesion, and to promote a more interactive land-sea relationship; a relationship that finds natural development in landing places, privileged destinations that allow the passage of resources, people and forces from sea to land and vice versa.

Coastal bands, otherwise referred to as shoreline or coastal areas, as being hinges of connection and welding between different spaces, require an integrated approach to identify the best possible solutions (Zunica, 1986; Vallega, 1996; De Bernardinis, 2015; Addis *et al.*, 2015). This is also because the land-sea interface hosts a delicate environmental, social and economic balance that make coasts a desired "sensitive" geographic environment on which the most significant changes occur⁹ (De Bernardinis, 2015) and that arrival/stop places are becoming more and more departure points, from which the discovery of the Territory through routes that must be able to connect the traveler or the nautical tourist¹⁰ with the

the maritime economy ... In 2012 cruise tourism alone generated a direct turnover of € 15.5 billion and employed 330,000 people; European ports had 29.3 million passenger visits, a 75% over 2006" (COM / 2014/86 final, pp. 1-2).

⁶ The Certification of good health of the coastal environment, as well as the quality assurance and compliance with certain parameters and indicators of sustainability, in many cases also represents a useful territorial marketing tool. This is what happens, for example, with the attribution of so-called blue flags that in 2017 in Italy have awarded 342 coasts (+49 compared to 2016) in 163 municipalities. Particularly interesting is the attribution of the blue flag to 67 tourist ports (ports and marinas) that have distinguished themselves for meeting the required environmental standards.

⁷ Combining the protection of the marine and coastal environment with economic and tourist activities cannot be ignored by considering environmental protection and defence already in place. In Italy, for example, the 228,000 hectares of sea and the 700 km of coastline protected by the 27 safeguarded marine areas, recognised by the Ministry of the Environment, are among the 49 sites of interest, adding the forthcoming 17 to be instituted, the 5 areas worthy of Protection, the 2 submerged parks and the sanctuary of the cetaceans (Ministry of the Environment, 2017).

⁸ The theme of the sustainability of sea activities, such as transport of goods and people, is constantly under the lens of public opinion, more sensitive to environmental issues and certainly influenced by recent events such as shipwreck of the "Costa Concordia" in front of the Lily island in Tuscany, or the dangers related to large ships passage in "sensitive" places such as the canal of San Marco and Giudecca, in the lagoon of Venice. Nevertheless, it is noted that "cruising navigation does not seem to pose particular environmental issues, compared to other types of navigation, beyond the implications for the large number of people aboard, which certainly has implications (including environmental) and on the management of the ordinary naval activity, as well as on the reaction to emergency situations. Compared to the most widespread forms of tourism, it seems to have to admit that cruises are among the most eco-sustainable" (Comenale Pinto, 2014, pp.).

⁹ These aspects are urgent when referring to the Mediterranean macro-region, which represents a variable set of growth and employment opportunities whose territorial diversity (measured in terms of territorial capital) could contribute to redesign the land-sea relationship. "In the context of the European integration process (Precious, 2014), it has to deal with situations of geopolitical instability and with human pressures. In this regard, De Bernardinis (2015, p. 1) states that "from the current 450 million inhabitants concentrated along the Mediterranean coastline, it will rise to 520-570 million in 2030 and then reach about 600 million in the year 2050 and not less than 700 million at the end of the 21st century."

¹⁰ Benevolo (2010, p. 109), after differentiating between sea tourism, nautical tourism and nautical sporting activities, provides an interesting definition of nautical tourist, meaning that one who moves by sea from a place of departure to a place of destination, "In a given period of time, using a recreational unit, whose stay on board may include stay in boat overnight and whose main reason is related to entertainment or other tourist motives."

Blue economy and cruise tourism. What evidences?

various cultural, historical and environmental resources distributed in an organised way on the ground.

Cruise tourism. A growing industry

Among the main tourism segments that shows encouraging growth prospects, cruise ships are in a safe position thanks to a steady increase in demand and to an articulated differentiation of the offer. In terms of demand, it is noted that the cruise industry, in years, has been increasingly involving passengers: from 14.36 million in 2005 to over 23 million in 2015, an increase of 60% (CLIA, 2016). Cruise tourism is configured as a typology that is perceived less and less as "luxury", exclusive and at reach of a few people; in some ways it is even considered a specific type of mass tourism, capable of attracting targeted people who once preferred resorts and holiday villages. A confirmation of such evidence is found in the report of the Cruise Lines International Association (CLIA) on the State of the Cruise Industry Outlook 2017, where it includes, among the new categories of cruise passengers, the so-called Millennials and the Generation X exponents (the younger generations). The growth in demand corresponds to a wider range of offers, thanks to the launch of new ships equipped with more comfort and services, to the introduction of new ports and locations, and to the creation of more intense synergies with landing sites.

Although overnight stay and other activities available on the ship, cruise experience does not only take place on board but, on the other hand, it finds more specificity and development in land destinations, in achieving those goals that motivate moving and travelling. The cruise, as observed by Grandi and Sala (2006), and regardless of the road (lakeside, river or maritime), is distinguished by the ability to put together various types of tourism, creating new solutions for the fruition of the territories.

Thanks to these elements, in order to make the sector more competitive, as referred to by the EC (COM / 2014/86 final), synergies and relationships between companies located in EU sea areas should be encouraged with a stronger sharing of best practices between public and private operators. All of this is relevant thinking that the coastal regions of the European Union, endowed with great natural beauties and cultural sites, are one of the favorite destinations of many holidaymakers, making coastal and maritime tourism the most incisive in the economic sector. The economic advantages of the cruise industry in Europe are remarkable and relate to different sectors, with the ability to involve, with more or less intensity, ports of embarkation and arrival, shipbuilding and naval maintenance, supply, sale and storage of boats. In order to fully grasp the scope of this phenomenon it is sufficient to consider that the only cruise ship's expense in 2015 amounted to about 3.83 billion euros. In the same year, the cruise industry generated a total of about 17 billion euros (CLIA, 2016) with extensive benefits to many sectors.

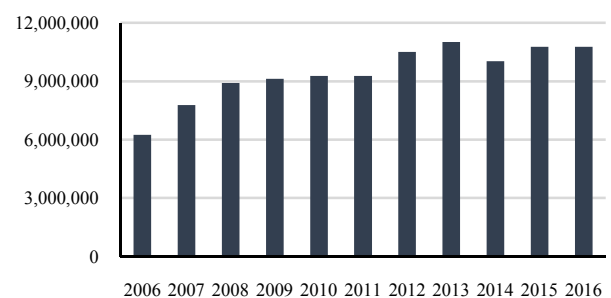
Cruise tourism in Italy

Among the world-class cruise destinations, just after the Caribbean area, a prime position is covered by the Mediterranean area that, thanks to its rich and varied cultural and environmental heritage, has a high level of attractiveness. All of this despite the severe geopolitical instability that is affecting the coast areas in the south shore, being a theater of

a conflict with an out-of-control migratory phenomena, issues which are adversely affecting cruise shipping which, in fact, shows a marked decline. As observed in 2016 by Blue Vision, the Italian hub of Blue Economy, this decline would oscillate between 14 and 18 million of tourists fleeing from the Mediterranean. An alarming fact is that cruise tourists are counted among them, with their abandonment generating a negative impact on ports and connected territories. Also, according to the Report RESULTS TOURISM - Cruises Focus (2017), for the current year there is a prediction of a drop in passengers number in the area.

We must therefore think with a systemic viewpoint: a drastic decline in cruise lines on the south shore due to dangerous situations could, in some way, benefit countries such as Spain, France, Italy or Greece, but, on the other way, would risk causing a general loss of attractiveness for the entire macro-region, which is also more and more subject to challenges from the emerging cross-border geographic areas such the Asian ones.

In front of such contingencies, Italy attempts to strengthen its offer by reinforcing the attractiveness of ports and smaller seaports. The country, which in the period 2006-2015 saw a positive development of cruising demand (Figure 1), although showing contrasting forecasts for 2017, represents the largest cruise ship market in Europe, with a growth of 6,37% in the 2014-2015 year, which attracted something like 10.9 million passengers (Chamber of Deputies) (<http://www.isprambiente.gov.it/>).



Evolution of the cruising demand in Italy 2006-2016.
Source: Assoport 2016 data

There is no doubt about the critical issues, such as the persisting seasonality. Although with a different intensity, cruise ship traffic in Italy is manifested throughout the year, but the monthly distribution of passengers registered in 2016 in the first 15 Italian ports gives a measure of a still not fully optimized phenomenon.

Yet Italy, in addition to being the leader in the construction of cruise ships, has five leading ports among the top 10 in the Mediterranean with Civitavecchia in 2nd place (about 2.3 million behind Barcelona with about 2.7 million), Venice at 4th (about 1.6 million behind Palma de Mallorca with about 1.63), Naples at 6th (about 1.3 million), Genoa at 8th (just over 1 million) and Savona at 9th (around 910 thousand). What is needed is therefore to work synergistically for the strengthening of a key sector, the cruise tourism, in order to avoid losing market shares where a dominant position has already been established and, secondly, to capture new targets that are concerned with this type of tourist fruition more and

more experience oriented and accessible, from the economic point of view.

CONCLUSIONS

Recognising the strategic importance of productive sectors that, in many ways, contribute to define the sea economy, the urgent need to combine the positive externalities generated with the aspects related to the protection and safeguard of the environment is detected. It has been widely observed that a good state of health of the marine and coastal environment represents the essential condition for an effective, efficient and sustainable development for all the economic sectors involved. Nevertheless, the success of maritime tourist destinations is also influenced by the capacity of local, public and private actors to make a system and to create chains that can strengthen the land-sea connection in order to create true territorial tourism products. To better exploit a growing segment, such as cruise tourism, especially in the current period characterized by an ongoing economic crisis and geopolitical instability in the Mediterranean, could contribute to the achievement of the peripheral regions of Europe of those smart, sustainable and inclusive growth goals that the EU is hoping for in its most recent strategies. Cruise tourism, initially born as a luxury phenomenon, is increasingly being claimed as mass tourism, but the changes in the consumer tastes, that today are more aware and conscious about to the peculiarities of the territories, require a further effort from cruise companies and ground units to provide a better offer and more discovery options for destinations with a more equal, widespread and systematic distribution of economic resources generated by the industry. This involves the structuring of packages, routes and offer proposals that efficiently connect the various cultural, historical and environmental resources distributed across the geographic area to favour a more integrated and conscious visit. Italy, in this sense, expresses a strong potential, but, because of the weak synergy between institutional operators and actors, does not always result in optimum turnout in terms of available offers on the ground. In a period of strong competition between geographic areas, ports and coastal tourist destinations, it is no longer possible to adopt an integrated long-term strategic approach that can consider the complexity of the territorial capital present in the destinations that accommodate these considerable flows of tourists coming from the sea.

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