The effects of UNESCO World Heritage List inscription on tourism destinations performance in Italian regions

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ABSTRACT

The article explores the effects of cultural heritage in fostering tourism demand. We look at the role of UNESCO World Heritage List (WHL) in the enhancement of tourism destinations (TDs) competitiveness. In such a perspective, taking Italian regions in the period 1995–2010 as a case study, TDs performance is evaluated and the effects of WHL are assessed, by means of data envelopment analysis (DEA) two-stage approach, in which the determinants of efficiency scores are investigated, employing semiparametric regression. The empirical results show that, while cultural and environmental endowment positively affect the performance of Italian TDs, the presence of UNESCO sites exerts opposite effects. A possible explanation for such results is that the WHL inscription generates positive expectations on both tourism demand and supply, their fulfillment depending on adequate local policies. Thus, policy recommendations to improve the public decision-making process are derived.

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1. Introduction

The effects of cultural heritage in fostering tourism are a live topic in planning regional and local development policies. In particular UNESCO World Heritage List (WHL), its growth through time, composition, and effectiveness in ensuring conservation, promoting tourism and, therefore, economic development have recently attracted great attention in the economic literature. In this paper, we explore a specific aspect of the relationship between WHL and tourism, that is, whether the inscription in the WHL affects the technical efficiency of the supply of tourism goods and services and, therefore, the competitiveness of the tourism destination (hereafter, TD).

A TD can be considered as a geographical area (at different levels of analysis: country, region, city, etc.) where various types of experiences are organized and managed to attract tourists and to be enjoyed by them (Barros et al., 2011; Botti et al., 2009). According to this approach, each TD bases its tourism attractiveness on both the natural and cultural endowment and the tangible and intangible infrastructures supplied by private and public agents (accommodation, transportation, information and communication systems, cultural services and performing arts). Where the comparative advantage of a TD depends on the resources availability, its competitive advantage in the tourism destination market

depends on its ability to use these resources effectively (Crouch and Ritchie, 1999) and generate an added value (Crouch, 2006).[1]

Therefore, it is relevant to evaluate whether TDs, having a comparative advantage based on their outstanding cultural endowment included in the WHL, are able to transform this comparative advantage in a competitive advantage and are able to register better technical efficiency in the whole tourism supply, i.e. a better capacity to use available inputs to maximize tourism outputs.

In this article, we use data envelopment analysis (DEA) two-stage approach to examine the technical efficiency of TDs and its determinants using Italian regions and autonomous provinces in the period 1995–2010 as a case study. Among the advanced countries, Italy is particularly interesting for assessing the role of WHL as attractor of tourism demand and in the enhancement of tourism destinations (TD) competitiveness and performance. In fact, tourism is of primary importance in Italy which is the European country with the largest number of UNESCO sites and shows both a large variability across regions and a growing number over time.

The main reason to adopt regions and autonomous provinces as TDs depends on data availability. However, such a choice has also an institutional rationale, since Italian tourism system is decentralized and regions have large competences in the field. Moreover, Italian regions

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[1] The above mentioned studies have also linked competitiveness to sustainable tourism, i.e. improved quality of life for citizens and sustainable destination development, preserving the natural and cultural heritage of the destination for future generations, etc. (Crouch and Ritchie, 2003).

offer differentiated tourism products and services that suggest a disaggregated investigation.

In this study we estimate several DEA models with the use of bootstrap techniques as introduced by Simar and Wilson (1998, 2000). As one of non-parametric frontier approaches, DEA is recognized as a robust efficiency analytical tool with a broad range of applications. Its capability of dealing with multi-input/multi-output settings, without requiring explicit specifications of the relationships between the inputs and outputs, makes DEA suitable to investigate the efficiency of TDs. In the first step, DEA efficiency score for a specific TD is not defined by an absolute standard, but it is measured with respect to the empirically constructed efficient frontier defined by the best performing TDs.

In the second step of the analysis, we check for the effects of some environmental factors (or non-discretionary inputs) on the technical efficiency of TDs, adopting the semi-parametric two-stage algorithm suggested by Simar and Wilson (2007).

In particular, in the second stage we assess the impact of the WHL inscription on the efficiency of TD, investigating whether it is relevant and, if this is the case, whether it generates short or long terms effects on TDs' competitiveness. Moreover, to test for the robustness of our findings, we also apply stochastic frontier analysis (SFA; Aigner et al., 1977; Meeusen and Van den Broeck, 1977) using the Battese and Coelli (1995) one-stage procedure.

Overall, the Italian TDs show a relevant economic inefficient performance throughout the period under investigation, i.e. they are not able to fully use their capacity to lengthen the tourists overstay. Moreover, the empirical findings show that cultural and environmental endowment as well as infrastructure in the region positively affect the technical efficiency, while the presence of WHL sites exerts negative effects on TDs performance. A possible explanation for such a result is that WHL inscription raises the expectations of the private operators of the tourism industry but it is not able to enhance the competeiveness of the TDs.

The remainder of this article is organized as follows: Section 2 explores the main economic issues related to UNESCO sites and their relationship with tourism; Section 3 describes the characteristics of the tourism industry in Italy; Section 4 introduces the standard and bootstrapped DEA approaches, presents data and DEA results. The second stage results are offered in Section 5 and, finally, Section 6 provides some concluding remarks.

2. WHL and tourism

2.1. The background

As it is well known, the Convention Concerning the Protection of the World Cultural and Natural Heritage was adopted by the General Conference of UNESCO in November 1972, came into force in 1977 and, since then, it has been ratified by 187 countries. The WHL has also been growing through time: nowadays, it includes 1031 properties (802 cultural, 197 natural and 32 mixed, i.e. combining cultural and natural) in 163 countries. As Table 1 shows, continents and countries are represented in a very unbalanced way in the WHL.[2]

No objective criterion – e.g., per capita, per area or per income unit – can explain the actual distribution of properties. Notwithstanding the positive attention generated by WHL on the conservation of specific outstanding heritage, Frey and Steiner (2011) claim that the selection of properties is questionable, since it is subject to rent-seeking exerted by national political interests and by the commercial heritage industry. Other scholars (Bertacchini and Saccone, 2012) provide a political economy explanation of the composition of the WHL, suggesting that the involvement of countries in the World Heritage Committee, which select the properties to be included in the list, influences the inscription of national heritage sites.

[2] The total reported in the table is higher than the number provided by UNESCO because cross-border sites are counted for each country in which they are located.

Table 1
Countries with a large number (ten or more) of Sites in the World Heritage List, 2015.

Country/region	Total	Cultural	Natural	Mixed
Americas				
Brazil	18	11	7	0
Canada	16	7	9	0
Mexico	33	27	5	1
Peru	11	7	2	2
United States	21	10	10	1
Asia and Pacific				
Australia	17	3	12	4
China	48	34	10	4
Korea	12	11	1	0
India	32	25	7	0
Iran	19	19	0	0
Japan	19	15	4	0
Europe				
Belgium	11	11	0	0
Czech Republic	12	12	0	0
France	41	37	3	1
Germany	40	37	3	0
Greece	17	15	0	2
Italy	51	47	4	0
Poland	14	13	1	0
Portugal	15	14	1	0
Russia	26	16	10	0
Spain	44	39	3	2
Sweden	15	13	1	1
Switzerland	11	8	3	0
United Kingdom	29	24	4	1
Turkey	15	13	0	2
Total selection	587	468	100	21
Total sites in WHL	1031	802	197	32

Note. Source: Our elaboration on data provided by UNESCO (http://whc.unesco.org/en/list, accessed on 15.7.2015). In 2015, 31 WHL sites are located across two or more countries and they are counted for each country.

Leaving aside the issues related to the composition of the WHL, from our point of view it is worth noting that the growth of the WHL has stimulated the interest of several scholars in investigating the link between cultural tourism and the heritage included in the list. Cultural tourism is a segment of the tourism demand that is worth to investigate, as it shows a positive trend even in the last years of negative business cycle, whatever the definition of cultural tourism adopted by researchers (Bonet, 2011; ICOMOS, 2002): +3 percent in terms of global visitors of cultural attractions in the period 1995–2007 (OECD, 2009); +2 percent in the expenditure in the Italian art cities in the period 2001–2010 (Alivernini et al., 2012), just to give some data.

Though the main objective of the WHL is the preservation of the natural and cultural heritage of outstanding relevance for the future generations, the UNESCO assignment is also to promote "an appropriate equitable balance between conservation, sustainability and development" (Budapest Declaration on World Heritage, 2002) in the destinations where the UNESCO heritage is located. UNESCO official documents take somehow for granted the positive effects of the heritage included in the list on tourism and UNESCO heritage is also used as an indicator of variations in the attractiveness of travel destinations, as measured by the competitive monitor (Mazanec et al., 2007). However, the real success of this initiative depends on the degree of involvement of the local community and on the degree of awareness of the local community (residents, entrepreneurs of different sectors, etc.) of the relevance of their cultural endowment for the present and future development of their territory (Jimura, 2011).

The procedure for the inscription comprehends two very competitive selections: at the national level, for the inscription in the national Tentative List, and at the international level for the final inscription in the WHL. Therefore, the selective process takes quite a long time, in which the policy-makers of the site under scrutiny should plan and start to implement a strategy of local development, based on the