Effects of political instability in consolidated destinations: The case of Catalonia (Spain)

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ARTICLE INFO	ABSTRACT
	Catalonia is one of the most successful tourist regions in Spain. This article analyses the immediate impact that the instability associated to the recent political situation in Catalonia has had on the arrivals and spending of international tourists in the region using the classical Box-Jenkins method (ARIMA) and the more recent Bayesian Structural Time-Series Models. The results obtained indicate that during the final quarter of 2017, political events led to a reduction in the arrivals and spending of tourists in the region, although whether this impact reached statistical significance depends on the estimation method used.

1. Introduction

Crises and their management constitute a topic of interest for tourism researchers and many studies analyse the characteristics of the different crises and the actions required to overcome them (Henderson, 1999). Hall (2010) examines the different types of crises in the sector, highlighting that, in tourism, crises are usually accompanied by economic, political or social events or elements related to natural and energy resources.

The tourism industry is tremendously dependent on political stability, peace and safety (Al-Hamarneh & Steiner, 2004) and its success is threatened by the feeling of insecurity generated by violent protests, social instability and, in the most extreme cases, terrorist acts or civil wars (Hall & O'Sullivan, 1996). Together with the valuable theoretical contributions, a vast number of empirical studies have been conducted on the negative effects of terrorist activities, almost all of which concurring that instability leads to a reduction of tourist arrivals and spending in the destinations affected. See, for example, Enders and Sandler (1991) for the case of Spain, Pizam (1999) for Northern Ireland, Wahab (1996) for Egypt, Gartner and Shen (1992) for China, etc. Apart from articles referring to the immediate effects, other studies have been carried out on the prolonged impact over time, or the *lagged effect,* for example, Enders and Sandler (1991) and Enders, Sandler, and Parise (1992), although it is generally accepted that the tourism industry is resilient and recovers relatively quickly after the end of the conflict (Fisher, 2003).

Furthermore, many studies highlight that instability affects neighbouring destinations, either through a replacement effect which benefits competitors (Mansfeld & Kliot, 1996; Zheng & Martin, 1992; Alonso & Santana, 2018), or through a spillover, damaging the affected region as a whole (Mansfeld, 1996; Ryan, 1991). Once the destination has been affected, its recovery is based on the intervention of all the stakeholders (Paraskevas & Arendell, 2007) who must design and implement a marketing strategy which restores the image of the destination and guarantees the safety of the visitors (Sönmez, Apostolopoulos, & Tarlow, 1999).

Catalonia is a firmly consolidated destination, enjoying national and international prominence. The statistics place it as Spain's leading tourist destination. Its capital, Barcelona, leads the ranking of Urbantur, the tourism competitiveness monitor of Spanish urban destinations carried out by Exceltur (2017). According to the Spanish National Statistical Office, the Tourist Movement at Borders (Frontur) statistics record 19,046,720 international tourists in 2017, representing 23.28% of the total international arrivals to Spain in that year. This places Catalonia as the leading Spanish region, before the Canary Islands (17.37%), the Balearic Islands (16.86%), Andalusia (14.09%) and the Region of Valencia (10.90%). The Tourist Expenditure Survey (EGATUR) also highlights that with 19,151.87 million euros in 2017,

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E-mail addresses: jose.perles@ua.es, jfperles@ajcalp.es (J.F. Perles-Ribes), anar@ua.es (A.B. Ramón-Rodríguez), mjesus.such@uah.es (M.J. Such-Devesa), luis.moreno@ua.es (L. Moreno-Izquierdo).
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Table 1
Comparison of the evolution of Catalonia and the rest of Spain in terms of international tourist arrivals and tourist spending.
Source: INE FRONTUR and EGATUR. Arrivals in number of tourists. Expenditure in millions of euros.

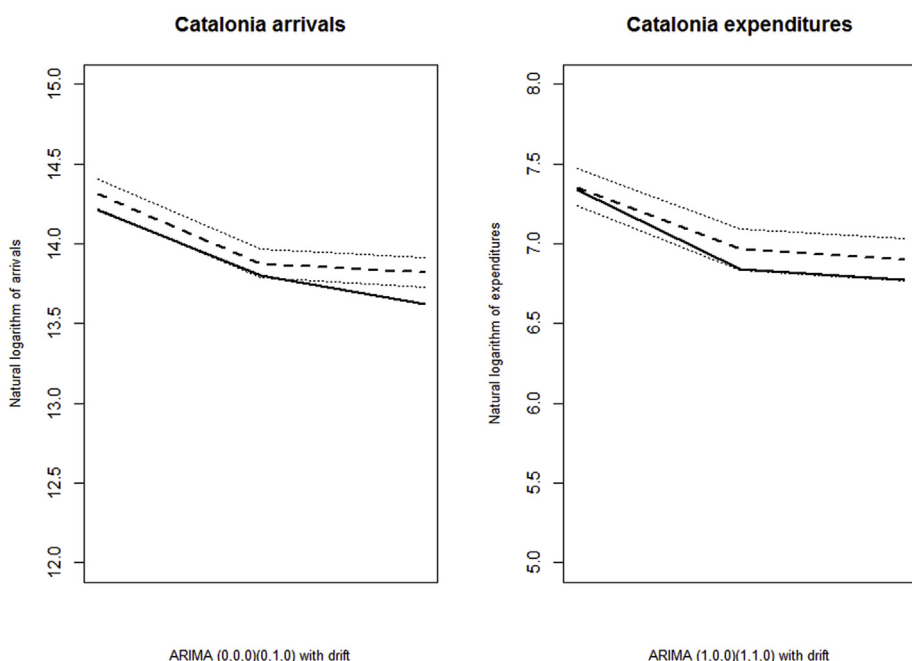|	Arrivals						Tourist expenditure					
	Catalonia			All except Catalonia			Catalonia			All except Catalonia		
	2016	2017	Var	2016	2017	Var	2016	2017	Var	2016	2017	Var
E	865,842	850,457	−1.78	2,660,695	3,053,846	14.78	831	823	−0.93	2906	3429	17.97
F	930,354	986,117	5.99	2,748,372	3,132,091	13.96	832	926	11.27	2874	3379	17.56
M	1,076,434	1,151,664	6.99	3,550,772	3,755,890	5.78	928	1053	13.50	3696	4045	9.43
A	1,483,021	1,732,674	16.83	4,603,306	5,327,369	15.73	1224	1472	20.28	4404	5267	19.59
M	1,630,433	1,893,942	16.16	5,480,721	6,049,883	10.38	1529	1796	17.47	5389	6045	12.17
J	1,850,823	2,029,711	9.67	5,701,935	6,402,365	12.28	1787	2117	18.48	6031	6865	13.84
J	2,394,803	2,551,286	6.53	7,150,989	7,959,245	11.30	2510	2804	11.68	7728	9099	17.74
A	2,501,193	2,559,865	2.35	7,526,278	7,866,164	4.52	2402	2640	9.93	7880	8701	10.42
S	1,876,937	1,990,995	6.08	6,055,670	6,844,233	13.02	2039	2168	6.31	6360	7263	14.21
O	1,562,897	1,489,870	−4.67	5,574,826	5,775,622	3.60	1467	1540	4.94	5867	6223	6.08
N	1,009,971	986,712	−2.30	3,088,291	3,414,618	10.57	978	937	−4.21	3227	3702	14.69
D	956,468	823,427	−13.91	3,033,978	3,158,048	4.09	940	877	−6.76	3585	3653	1.89

Fig. 1. Tourist arrivals and expenditure in Catalonia. ARIMA models.
Source: Authors' own elaboration.

Catalonia was ranked first in terms of tourist spending in Spain, representing 22.05% of total tourist expenditure, followed by the Canary Islands (19.32%), the Balearic Islands (16.80%), Andalusia (14.57%) and Madrid (10.17%).

This leadership position has recently been threatened by the increasing overcrowding of some emblematic areas of Barcelona and the negative reaction of part of the local society which has come to be known as *turismofobia* (tourism phobia) and, most of all, by the political and social instability derived from the Catalan sovereignty process, which hit the headlines on a daily basis in national and international media during the month of September 2017.

In very general terms, although the political tension derived from the sovereign aspirations of a considerable part of the Catalan society had been a recurring theme for many years, the reaction to the Sentence of the Constitutional Tribunal of 28 June 2010 which modified substantial aspects of the Statute of Autonomy of Catalonia, passed in 2006 and the lack of agreement with respect to the so called "Fiscal Pact", approved by the Catalonian Parliament on 25 July 2012, detonated an unprecedented escalation in the conflict. This led to the organisation of

a first consultation (participatory process) on 9th November 2014 and a referendum on 1st October 2017 with the objective of declaring independence of the region, neither of which were covered or recognised by the Spanish legal framework. In response to the measures implemented by the Generalitat (Regional Government of Catalonia), the Spanish government, with the approval of the Senate, pushed for the application of Article 155 of the Spanish Constitution which was formalised on 27th October 2017. The autonomous government was taken over, the regional parliament was dissolved and regional elections were convened for the 21st December 2017. The results of these elections have not been able to completely ease the situation which is still characterised by constant media attention, principally in Spain, and which continues to transmit a feeling of instability.

With respect to the economic consequences, the media has been reporting two basic effects: first, the relocation of the headquarters of some emblematic companies of the region during the most critical moments of the crisis; and second, a certain impact on the tourism sector, with a decrease in the tourist attractiveness of the region and a reduction in the number of tourists and the amount spent by them in