



TOURISM PROPOSALS FOR REFLECTION CONSIDERING COVID-19

Uncertainty, impact and recovery

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Uncertainty

We are in a period of great uncertainty and mistrust that leads us to situations that were unthinkable until very recently. It must be recognized that in the last few decades events and circumstances have appeared that are transforming the very essence of society. Globalization, change climate, unlimited growth, the crisis induced by the international financial system and the progressive disappearance of ethical rules in the social sphere between groups and nations, have traversed into alarming situations that manifest themselves in the most diverse areas, from the growing socioeconomic inequality to natural disasters.

However, the crisis caused by the Covid-19 has a deeper, individual and social dimension since it affects not only the survival of people, but also society in all its aspects. Its impacting effects are going to condition tourist activity as we know it, since it is directly affecting the mobility of people, which is the essence of tourism. We have always known that tourism sector is vulnerable, and in this case in the face of a health emergency tourism¹ is not a priority. In addition, the evolution in the last few weeks does not help predict when the end of this crisis will be, because some studies on possible scenarios speak of a resurgence in October². For this reason, uncertainty and fear of the disappearance of a large part of this activity in the short term grows, which implies, above all, concerns in many societies structured around it.

In this context, it seems difficult to venture impact figures and forecasts; but we are used to the fact that numbers are always a reference when restlessness invades us. The scientific community, international institutions and even some renowned consultancy

¹ This emergency can be followed in real time by the tracker of the University Center for Science and Systems Engineering Johns Hopkins. <https://gisanddata.maps.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>

² <https://blogs.publico.es/alberto-sicilia/2020/03/19/al-menos-18-meses-de-distancia-social-para-terminar-con-la-epidemia>

have started to work and begun proliferating quantitative studies carried out in record time, in which it is a matter of estimating, with greater or lesser accuracy, the numbers of the disaster.

A cross-sectional reading allows us to identify another common point between those studies on past tragic catastrophes, such as tsunamis, earthquakes, macro-wildfires³ ... including terrorist attacks. However, there are two substantial aspects that differentiate this one:

- This crisis does not destroy infrastructure or physically devastate the territory. This implies that it cannot be circumscribed to a specific space (the invisible enemy), but on the other hand, it could make it possible to relaunch the activity in a shorter period of time.
- We do not know when this crisis will end, which forces us to formulate different scenarios with different levels of destruction of wealth and suffering.

OPTIMISTIC SCENARIO	MODERATE SCENARIO	PESSIMISTIC SCENARIO	CHAOTIC SCENARIO
There are no tourist movements until May 2020	There are no tourist movements until July 2020	There are no tourist movements until September 2020	There are no tourist movements until January 2021
In May, almost all (70%) shops, restaurants and hotels open.	In July, some (50%) shops, restaurants and hotels open.	In September, few (30%) shops, restaurants and hotels open.	In 2021, few (30%) shops, restaurants and hotels open.
More than 30% of tourist businesses are bankrupt or survive thanks to government aid.	More than 50% of tourist businesses are bankrupt or survive thanks to government aid.	More than 70% of tourist businesses are bankrupt or survive thanks to government aid.	More than 80% of tourist businesses are bankrupt or survive thanks to government aid.
The social reaction of residents to tourists' origin is positive.	The social reaction of residents to tourists' origin is unchanged	The social reaction of residents to tourists' origin is negative	The social reaction of residents to tourists' origin is very negative, with a ban on some markets due to the risk of contagion

* The figures and percentages offered have NOT been estimated using scientific procedures

³ <https://www.tandfonline.com/doi/full/10.1080/13683500.2019.1681944?scroll=top&needAccess=true&>



However, in statistics there is a maxim: the greater the degree of uncertainty in the model, the less reliable are the estimated predictions. As Dimitrios Buhalis says, very active in his blog these days, "the only certainty is uncertainty."

The urgent usually displaces the important, it impels us, to know the magnitude of the impact and, as scientific community; therefore obviously after analysis and diagnosis as rigorous as possible, posing dynamic scenarios, trying to take in to consideration the large number of factors and variables involved in this complex situation we must propose, do and innovate.

In the short history of tourism we have never faced such a phenomenon with these characteristics, so it is necessary to value collective intelligence as a key element of innovation and creation. The i3t-UMA is working on the study on the perception of impact of Covid-19 in the sector⁴, at the same time, we are in contact with different national and international organizations, to try to strengthen the way out of this crisis by contributing research work that help solve current and future problems.

Impact

With the certainty that the socioeconomic impact will be calculated with great precision after all this has past, and considering with caution the data and forecasts currently available, we find a series of evidences. A few days ago (March 16) the WTTC estimated a loss of 50 million jobs in the tourism sector, on March 25 it had already reached 75 million jobs and, in a few weeks, this number will increase⁵. In Europe there are an estimated 10 million jobs at risk and some 552 billion dollars in losses. For its part, the UNWTO, without much prominence these days, estimated on March 17 a decrease of 1-3% in international tourist arrivals, in contrast to 3-4% expected growth in January 2020. and an economic impact of between 30 to 50 billion dollars losses in the spending of international visitors⁶.

It is clear that the current situation has literally frozen tourist activity to the point of disappearance in many places, with the already known repercussions for destinations.

⁴ Impact on the Costa del Sol-Málaga Province:

<https://docs.google.com/forms/d/e/1FAIpQLSdg34OF8Utv1ibJIBFavPySnKWcVYLqTKILcaJef7BlvqQYPA/viewform>

Impact in Spain:

<https://docs.google.com/forms/d/e/1FAIpQLSerx4PXF7RsHieIMHNtukRkM5YT36RiDhKxDTYo3jGwxE5-8Q/viewform>

⁵ <http://www.nexotur.com/noticia/106750/NEXOTUR/Segun-WTTC-peligran-50-millones-de-empleos-del-Sector-Turistico.html>

https://www.hosteltur.com/135602_advierten-al-g20-de-un-colapso-catastrofico-en-el-sector-viajes-y-turismo.html

⁶ <https://www.unwto.org/es/tourismo-covid-19-coronavirus>

⁷ This is the case of the German tour operators with TUI in the lead, who close their operations until the end of April:

https://www.hosteltur.com/135478_los-ttoo-extiende-la-suspension-de-operaciones-hasta-finales-de-abril.html



The socioeconomic drama is brutal, not only for large companies with some maneuverability and endurance to save the situation⁷, but certainly for those small and medium hotel business people, restaurants, guides, agencies, etc. who depend on government aid and incentives. In the best case scenario, trips could resume in May or June. Meanwhile, it seems clear that technology and science (big data p. e.) may be a more effective weapon to fight the virus than border closings (as demonstrated in South Korea).

Although these data are as interesting as they are volatile, it is important to consider what factors are going to condition the recovery of tourist activity. Tourists' risk aversion (fear) and disposable income, will be key elements for the pace of recovery in demand, since those with less risk aversion (less fear of getting infected) and with a higher level of income will be the first to start traveling.

The first of these elements (the degree of risk) will be attenuated over time, in the sense that health security will be strengthened as the crisis is controlled. The second, many families will have their income seriously reduced; however, disposable income (or rather the capacity or purchasing power) is relative, since it depends on market prices and there is a high possibility that in the tourism sector they will be greatly reduced⁸. Also, it is to be expected that the incomes of the families will recover over time; the question is how long ... and there we enter in unreliable speculations.

To all this, we should add the different stages in which each market or country is in relation to the development of Covid-19. If a market, which traditionally has had an important weight on the demand of a destination, begins to develop the most acute phases of the virus, the arrival of tourists will suffer (eg the British market on the Costa del Sol). In any case, these affirmations must be taken with great caution because, given the degree of uncertainty in the economy, the matrix of traditionally markets for a destination could also change conjuncturally.

Of course, you also have to take into account the "gap" or lag between the end of the State of Alarm and the recovery of the tourist activity and here two phases must be differentiated:

- First, the availability of tourist services and infrastructures for full use.
- Second, the progressive recovery of demand (based on what was previously mentioned).

⁸ <https://www.eluniversal.com.mx/destinos/cuanto-han-bajado-los-precios-de-vuelos-europa-por-coronavirus>

⁹ <http://www.gisandbeers.com/espana-descenso-no2-contaminacion-por-coronavirus/>



On the positive side, we see that the economic slowdown brings an improvement in the environment: reduced CO2 emissions, air pollution, the ozone layer has even recovered significantly, etc.⁹. The consequence is the granting of a brief moratorium to the Planet, but we know that this is transitory and that as soon as the levels of production and consumption recover, the global unsustainability of the production model will once again be evident as there has been no real transformation of the existing model.

Stop and go ... Re-think tourism.

Most studies understand that the Covid-19 crisis is going to be a break in the sector tourist but that sooner or later it will recover. The most frequently asked questions revolve around whether once this dire situation is left behind, will there be an explosion of demand or will it be a more progressive recovery? In any case most scenarios understand this crisis as something of a conjunctural nature.

The theory of the Black Swan (in the words of Nassim Nicholas Taleb) "is a metaphor that describes a surprising event (for the observer), of great socioeconomic impact and that, once it is over, it is rationalized by hindsight (making it seem predictable or explainable, and giving the impression that it was expected to happen)" seems to be correct. This crisis will most likely not involve a radical change in the tourism sector (or any other).

Some philosophers begin to analyze how much of society associates crises with suffering and with it the possibility of change (a doctrine very common in Christian culture). However, suffering is a feeling that the human brain, for survival, tries to forget and leave behind as soon as possible to return to as it was before. The 2008 crisis has not led us to be more responsible with our financial operations, nor has it served to transform the model productive (we are still waiting for the moment when the construction sector returns to be an engine of the economy).

On the contrary, faced with this situation, there are positions¹⁰ that propose taking advantage of the crisis to make structural changes in tourism activity, (although it is still complex to define concrete strategies given the high degree of uncertainty), betting on a future model where proximity tourism is prioritized¹¹ based on a greater integration of the tourist with the territory and its values; undoubtedly, a more sustainable and equally safer tourism. This would require more feedback between the sector and science, being

¹⁰ <https://politicalecologynetwork.org/2020/03/24/tourism-degrowth-and-the-covid-19-crisis/>

¹¹ <https://www.lavanguardia.com/economia/20200328/48105019477/fin-confinamiento-apostar-turismo-sostenible-brl.html>



very proactive and addressing the challenges of tourist activity with intelligence and knowledge to be able to adjust the model; but above all to act with the general interest of society in mind and not so much in the interests of certain economic actors with great influence or market power.

As the Korean philosopher Byung-Chul Han analyzes when he states "It is us, people endowed with reason, who have to rethink and restrict [...] our limitless and destructive mobility, to save ourselves, to save the environment and our beautiful planet"; without a doubt, we must ask ourselves about the possibility of potential transformation of certain demand structures ... have we learned anything about the fatuous and futile of many of our consumption? Have we learned to live without them? These questions can have important implications in terms of the re-educational processes that we would have to internalize in consumers.

We are not talking about the effects that are being generated in the economy that are being pursued when it comes to imposing more restrictive sustainability criteria from the decreasing or post-growing theories, far from it, but rather of the possible processes of social pedagogy that can be generated. We refer to the self-imposition of restrictions, redistribution of consumption, use of resources ... Perhaps this crisis is indicating to us (once again) that the hope of change must spring from demand ... we are still waiting.