THE IMPACT OF THE EUROPEAN INTEGRATION PROCESS ON THE DEVELOPMENT OF TOURISM IN THE EUROPEAN UNION AND IN SLOVAKIA

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Abstract

The work, summing up a research conducted over a decade, analyses the relations between two different domains. The first is tourism and the second is the process of the European integration. In this case the economic development plays a role of a common factor of both domains, which is in both sides an expected result. The core issue of this text is the extent to which European integration influences or can influence the development of tourism. The issue is firstly treated generally, then on an example of a Member State (Slovakia) in the context of the European Union.

Key words

Tourism; European integration; Economic development; European Union (EU); Single market; Schengen area.

Introduction

The dynamic economic increase achieved by the EU in the period of its existence may lead to conclusions that the existence of integration process significantly influences the level of tourism development in the EU. The purpose of this work was to point out the existence of some visible and

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invisible aspects of the European integration process which are supporting this process. The free movement of goods, persons, services and capital, reinforced by the Schengen agreement, the introduction of the Euro as the common currency and other aspects of the new environment in which Slovakia has became a full member lead to a dynamics and growth of the tourism industry as well as of the economy generally.

Compared to other top tourism EU countries, Slovakia keeps behind. With the accession to the EU the Slovak Republic is becoming one of the world's most popular tourist destinations. Membership in the EU brings to Slovak tourism new opportunities for development and support. The membership of Slovakia itself is certainly not an automatic guarantee for an immediate success. Moreover, further development of EU tourism might not be unproblematic. Changes in social, economic and demographic structures, problems of environmental nature, as well as influences of other trends of the deepening globalisation process can be expected.

No EU Member State has recorded economic loss from the process of European integration so far. All of them have benefited from it. However, not every country benefits equally. If Slovakia wants to be a serious player among other Member States, it will hardly be achievable without serious attention and especially support done "at home". Only this can lead to the result that the visions about Slovakia as an attractive tourism destination can come true. Slovakia's location - directly at the heart of Europe - its natural, cultural, historical and human potential - certainly give it good chances for a future success.

The objectives

The research had four main objectives:

1. To highlight the importance of tourism – generally, for the EU and its Member States, including Slovakia;
2. To identify the main factors of the EU integration process stimulating the growth of tourism;
3. To quantify and compare selected tourism statistic indicators in the EU Member States and Slovakia;
4. To evaluate the level of tourism in Slovakia and point out at its future perspective in the EU.

In the research the following 4 hypothesis were set up:
H1: Tourism represents a dynamic sector of services worldwide as well as in the EU.

H2: the Process of European integration has a significant positive impact on the development of tourism.

H3: Slovakia, in comparison with the majority of EU Member State, is lagging behind in tourism.

H4: Quantity and quality of tourism in Slovakia has significantly increased after the accession to the EU.

The research has been conducted in the following structure:

The research was executed over 10 years, in several steps. Its structure can be seen in Figure 1. It included collecting relevant information and statistics from European sources (European Commission – DG Enterprise, Eurostat), from Slovak sources (Ministry of Economy, Institute of Tourism); and from other sources (World Trade Organisation). Important for the conclusions was also the author's dialogue with various stakeholders from SMEs, tourism experts – in Slovakia and in the EU, as well as information gathered during the author's mandate in the European Commission.

Structure

In order to achieve the objectives set up above, the research has been structured as follows:

1. The first part included an in-depth study of the general theory and definitions of tourism from various sources. The aims and methods of execution of the research were defined. More to this part can be found in the part “Theoretical sources and methodology” below.

2. The second part of the research was done in two steps. The first step analysed the development and state of the process of European integration as well as the support of tourism in EU and in particular in Slovakia; the influence of EU administration on tourism and its connection to introducing the "Schengen acquis"; to the Single market; to single European currency "Euro" and other factors potentially influencing the development of tourism. In the second step, selected direct and indirect instruments for tourism development were analysed.
3. The **third part** was dedicated to a detailed overview of tourism development in Slovakia. This was done by selected tourism statistic indicators for recent years. Firstly, on the EU level as a whole, secondly in 27 Member States respectively. As comparative indicators within respective Member States' general demographic and economic indicators as well as selected data, monitored and gathered by the European Commission, were used. These data are related to the development of: balances of payment, number of total nights spent in hotels and similar establishments of residents and non-residents, as well as the number of total establishments available.

4. The **last part** of the research was executed in two steps. The first step quantifies and evaluates the tourism in Slovakia through selected statistic indicators. The second step compares the state in Slovakia with other Member States and finally is setting up the perspectives for Slovak tourism in the EU.

**Figure 1: Structure**
Theoretical sources and methodology

As the basis of the research various European, non-European and Slovak monographs and articles about tourism and European integration theory were used. In general the research was a follow up of the author's previous works published in the monograph of J. Komorník and col. [1]: The whole research is available in author's doctoral thesis [2].

In available sources various views and definitions of tourism could be observed. K. Krapf [3] defines tourism as "the sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and are not connected with any earning activity." This perception, albeit it became an object of discussion, in theory of tourism significantly contributed to scientific description, interpretation and creation of tourism system of relations. As a consequence of dynamic structural changes in tourism in last decades, the initial definition has been modified.

For example the World Trade Organisation [4] defines tourism as: “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.”

C. Kaspar [5] as well as H. Ulrich [6] are tourism perceiving as a System. Under the “system” it is understood a unity of various components among which there are certain relations or among which it is possible to create such relations. Superior and associated systems, according to C. Kaspar are: economic, social, political, technological and ecological environment. Kaspar considers as subsystems the subject of tourism and institutional subsystems (tourism destination, tourism enterprises, both public and private tourism organizations). J. Orieška [7] describes tourism as services, structuring them in detail according to various criteria. Likewise it is in the work of P. Bernecker [8], of M. Gúčik [9] and of E. Kúčová [10].

J. Horčiak [11] perceives the tourism as a desire which is a consequence of absence and which leads into a need to eliminate this absence. In the case of tourism he describes the need for recreation, cure, travelling and sociability. R. W. McIntosh [12] describes four, Grill according the work of N. Nettekoven [13] describes eight motivation groups. H. Hanh a H. Kagelman [14] are analysing respective typologies of tourism participants.

The main milestones of the process of European integration were described for example in works of P. Sýkora and col. [15] and of D. Šíbl [16]. Particular emphasis on legal aspects of process of European integration describe D. Nováčková/D. Futej and col. [17] and V. Karas/P. Králik [18].
Results

Results of the research which are in line with the hypothesis set up above are as follows:

H1: Tourism represents a dynamic sector of services worldwide as well as in the EU.

Hypothesis 1 has been confirmed.

H2: Process of the European integration has a significant positive impact on the development of tourism.

Hypothesis 2 has been confirmed.

H3: Slovakia, in comparison with the majority of EU Member State, is lagging behind in tourism.

Hypothesis 3 has been confirmed.

H4: Quantity and quality of tourism in Slovakia has significantly increased after the accession to the EU.

Hypothesis 4 has not been confirmed. Further research is needed to evaluate qualitative trend and quantitative evolution in Slovakia, because of its relatively short membership in the EU. The membership itself, however, should not be perceived as the unique guarantee for success, though the European integration yields instruments which can improve efficient conditions for the development of tourism.

The results more in detail

1. Tourism represents one of the most dynamic areas of the service sector in the world. Its continuous growth is expected also in the future. Tourism has important, especially economic impact on each country, region where it is realized. It includes a wide range of products and destinations, as well as various stakeholders both from public and private sectors.

2. Likewise in the world also in the EU internally, tourism naturally represents one of the most important and expanding sectors of the economy. It is expected that its importance will continue to grow also in the future. It is expected that more than 700 millions tourists per year will be travelling from one country into another one within Europe by the year 2020.
3. Tourism and travelling in Europe have experienced an unprecedented increase within the processes of the European integration. As examined in the research this has been caused especially thanks to:

A) "European integration instruments" (Single European market – free movement of goods, persons, services and capital; Schengen area; Deregulation of transport services and development of transport networks; Single European currency – „Euro“ and other).

B) Institutional support of tourism on both at the EU level and on the level of respective Member States (Legislation, Programs and policies, Financial instruments, System of tourism support).
Figure 2: The favorite tourist destination for EU Member States

Source: European Commission

4. As a consequence of the integration process, the EU is nowadays a leader in the World tourism – both in incoming and outgoing one. Therefore Europe represents number one destination in the world with the highest density and diversity of tourist attractions.

A) As it can be seen from the graph 2, the most popular EU destinations are France, Spain and Italy.

B) As it can be seen from the graph 3 Top 3 EU tourism earners are Spain, France and Italy.

C) The favourite tourist destination for respective EU Member States can be seen in the Figure 2. Destination can be divided into two groups:

- Countries preferred as a main destination by several other countries (Spain, France, Germany and Italy).
• Countries preferred as a main destination only by one other country (Czech Republic, Greece and Slovakia). On this group is worth noticing that these countries were as main tourist destination preferred by their neighbour countries.

D) The great majority of EU travellers come from Germany and from the UK. In 2004 these two countries represented approximately 61% of all nights spent out of their home country.

Graph 2: EU25: International tourism arrival by respective Member States in 2005
(Source: Eurostat, WTO)

Generally the main features of incoming and outgoing tourism could be summed up as follows:

• The incoming tourism is particularly important for economies of smaller Member States.
• The most favourable period of year for incoming tourism is usually the third quarter of a year (July-September). More than one third of all overnight stays of EU25 non-residents usually takes place between July and September.

(*) 2004

The only exception is Austria where the beginning of a (e. g. the first quarter) year is the most favourable.
5. Also for the future tourism has a great potential to help to achieve some important goals of the Union such as: economic development, employment, economic and social cohesion. These priorities, reflected in communitarian policies have a significant impact to many activities of tourism industry. That is a good reason why the European Commission and other institutions have been paying careful attention to tourism support and development.

6. Generally speaking, Slovakia is currently on the European tourism market significantly lagging behind. Its membership in the EU is a good opportunity also for tourism development. However, further research is needed to evaluate qualitative trend and quantitative evolution in Slovakia, because of its relatively short membership in the EU. The positive impact of the European impact on Slovakia’s tourism is not yet sufficiently proved.

7. However in a longer positive impact and further opportunities on the tourism support and development can be expected. Slovakia, as well as other Member States started benefiting from the tourism supporting factors, mentioned in point 3.
A) Accession of Slovakia into Schengen area, planned for 21 December 2007, abolishment of internal barriers for free movement of goods, persons, services and capital, introduction of the Single currency “Euro”, possibilities for absorbing financial assistance from EU structural and other EU funds, development of infrastructure and European transport networks; interest of investors, and other “invisible supporting factors”, are the perspectives which can play an important role in the future development of tourism in Slovakia.

B) The accession of Slovakia into the Community of economically more developed countries is not an automatic guarantee for a success. There is great competition on the market. Not every Member State can benefit from tourism equally. Those who are the most prepared and active ones are the greatest beneficiaries. If Slovakia wishes to be successful, it will have to be well prepared for new challenges of the European and World tourism.

C) Slovakia has sufficient potential to succeed on the EU tourism market. From 38 internationally recognised tourism attractions, Slovakia has 37 – e. g. all of them, except the sea. If Slovakia wants to succeed, it should be clearly oriented on its strengths. They are especially: geographic position; well-preserved and diverse countryside, clean environment; unique folk art and folklore, cultural heritage; network of cultural establishments and offer of cultural events; dense and well marked network of tourism paths; sufficient accommodation capacity. Slovakia should focus on the forms of tourism for which it has naturally appropriate conditions and prospects for development, such as: rural, balneal and health, hunting, cultural and congress tourism.

D) Slovakia should continue in minimising its weaknesses. These are: insufficient recognition and PR abroad; high ratio of transit and one day visitors; absence of long term development programs; absence of coordination on local and regional level; lack of financial means for tourism promotion and marketing; lack of product complexity; too many travel agencies oriented on outgoing tourism; low share of direct foreign investments in tourism sector; low quality of services and accommodation capacities; lower salaries in tourism sector; insufficient sources for development; stability of business environment; absence of appropriate legislation; lack of preservation of historical monuments; information and reservation services; language skills; lack of marketing activities; absence of tourism associations.
E) After the accession to the EU Slovakia has got unique opportunity for: revitalisation of its economy, improvement of its recognition abroad, creation of more diversified offer of tourism products; opportunity to improve inter-regional co-operation; using of EU financial instruments (especially European Regional Development Fund and the European Social Fund); exchange of know-how and best practices with other Member States; promoting one or more its places/cities for a destination of excellence; preservation of cultural heritage.

F) New conditions in the EU might bring also potential threats for Slovakia and other new Member States, for example: higher competition on the tourism market and potential lack of Slovak SMEs competitiveness; increase of prices of goods and services, increase of labour costs, rise of unemployment; changes in proprietary relations; inappropriate expectations of citizens from Slovakia's EU membership etc.

G) Slovak Government should keep setting up the tourism support as its real, long term priority and systematically continue in improving conditions for its further development.

H) To achieve better results it is important for Slovakia to ensure better interoperation of all subjects which can influence the tourism quality. It is important to create functioning system qualitatively comparable to tourism successful EU Member States. The success of these countries mainly depends on efficient co-operation and complementarily of State administration, self governments, local governments and small enterprises. In particular, establishment and making this system operational should remain a serious challenge for Slovakia. This system is undoubtedly one of the most important factors (see the Figure 3) that might have influence on the future status of Slovakia’s tourism in the EU and in the World.

Application of results

The results could be used especially at universities focused on economics, on European studies and/or on tourism. The research [2] gathered significant quantity of statistics recording tourism development in the EU and Slovakia which confirm the importance of tourism as an important economic sector. As the results also particularly concern Slovakia the results might serve as a source of inspiration for Slovak tourism decision makers on the level of state, regions and municipalities.
Conclusions

As shown in the Figure 3 it can be concluded that tourism represents a dynamic sector of services. Further, the process of the European integration has a significant positive impact on the development of tourism. However, further research is needed to evaluate qualitative trend and quantitative evolution in Slovakia, because of its relatively short membership in the EU. The membership itself should not be perceived as the unique guarantee for success, though the European integration yields supporting instruments and factors which can improve efficient conditions for the development of tourism.

Figure 3: Conclusions
References

  – ŠUPLATA, M.: Rozvoj a podpora cestovného ruchu pod vplyvom európskej integrácie, s. 113-132.


