

# **Enlightening Tourism 1st International Conference Competition and Innovation in Tourism: New Challenges in an Uncertain Environment**

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## **Analysing public intervention on tourism: methodological perspectives and applications**

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Naples, 13th-14th September 2012

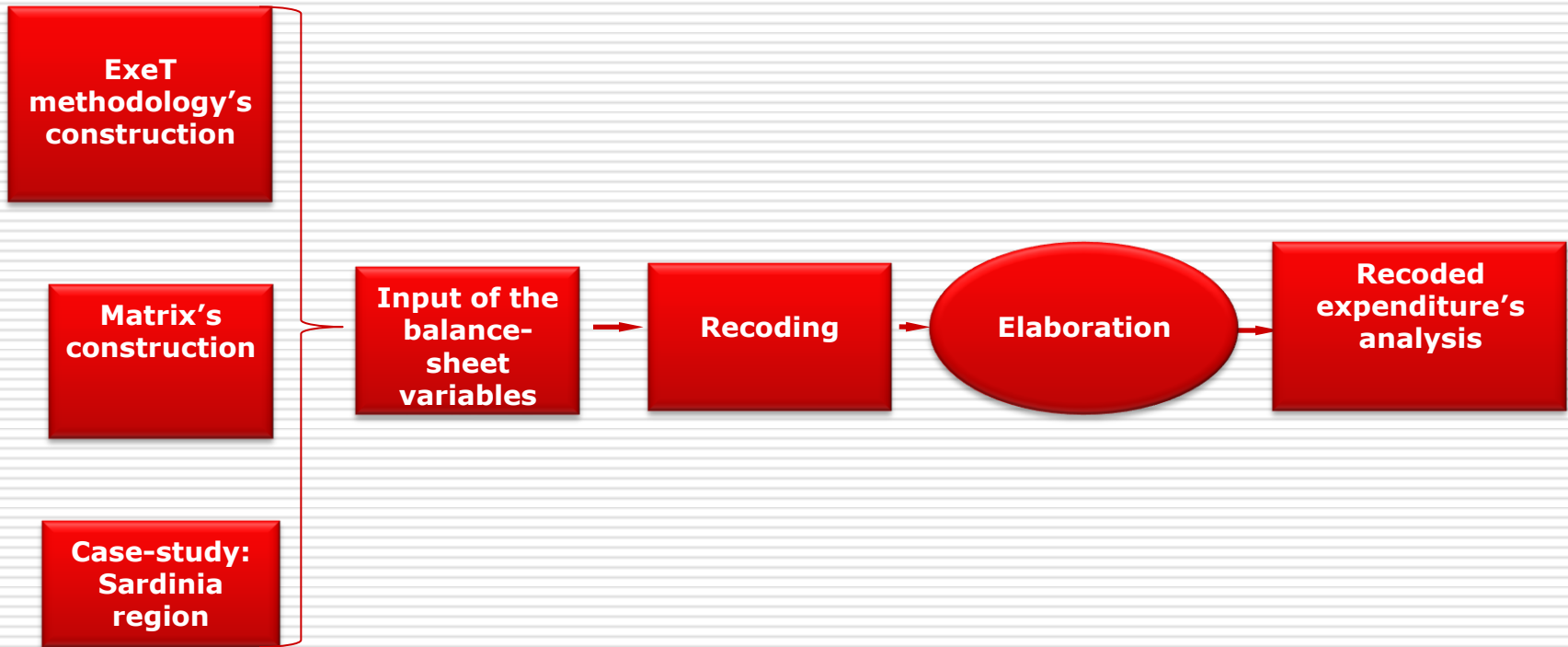
# Outlines

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- ◆ *Research design*
  - ◆ *Research foci*
  - ◆ *Methodology and tools*
  - ◆ *Data analysis*
  - ◆ *Constructed indicators*
  - ◆ *Our analysis through the ExeT (Public Expenditure for Tourism) encoding*
  - ◆ *Public spending consistency, structure, efficiency and their indicators*
  - ◆ *Concluding remarks*
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# Research Design



# Paper's main purpose

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This is a methodological paper with theoretical and empirical considerations on the assessment of tourism support policies



Main purpose of this paper is to present an empirical supportive method to the assessment of tourism public policies

It is focused on an analysis of public spending in a case -study: the Sardinia region. The research project has been financed by EBTS (Bilateral Tourism Body Sardinia).

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# Specific aims

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1. The first purpose is to establish a method of assessment of expenditure, called ExeT – Public Expenditure for Tourism - no longer based on administrations (in other words, on those who manage the funds), but rather on functions (that is, what gets done with the funds)
  2. The second purpose is to highlight, by applying the ExeT methodology, the overall quantitative and qualitative picture of public spending for tourism on a regional level, by referring to the Region of Sardinia as our case study
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# ExeT methodology's goals

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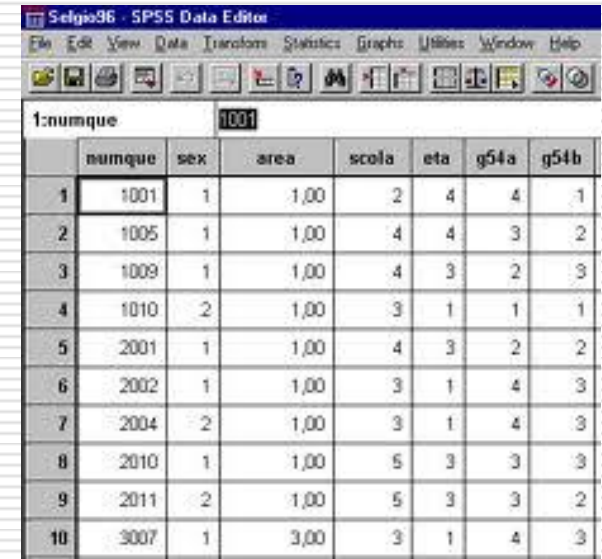
The main goal of ExeT methodology is to organize the financial data per types of intervention related to the quality of interventions in tourist policy, distribution per sectors, per territory and per type of “intermediary” (stakeholders)

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# The ExeT methodology's design

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- Selection of the public expenditures directly or indirectly related to tourism.
- Recoding of the balance sheet sources
- Construction of the regional public expenditures on tourism



The screenshot shows the SPSS Data Editor interface. The title bar reads 'Setgio96 - SPSS Data Editor'. The menu bar includes 'File', 'Edit', 'View', 'Data', 'Transform', 'Statistics', 'Graphs', 'Utilities', 'Window', and 'Help'. The toolbar contains various icons for file operations, editing, and analysis. The main window displays a data table with the following structure:

	numque	sex	area	scola	eta	g54a	g54b
1	1001	1	1,00	2	4	4	1
2	1005	1	1,00	4	4	3	2
3	1009	1	1,00	4	3	2	3
4	1010	2	1,00	3	1	1	1
5	2001	1	1,00	4	3	2	2
6	2002	1	1,00	3	1	4	3
7	2004	2	1,00	3	1	4	3
8	2010	1	1,00	5	3	3	3
9	2011	2	1,00	5	3	3	2
10	3007	1	3,00	3	1	4	3

# Sources

Processed data was taken exclusively from the final account of year 2008, which was adequately stored in a specific data bank. The variables that were taken into consideration for the purpose of the analysis are the following “input figures”: i) allocations (S – allocated funds); ii) committed expenditures (I – commitments); iii) payments (P – payments)

	Expected expenditures' competency	Allocations competency	Committed expenditures' competency	Payments competency	Economies/Major expenditures
C					
R					
T					



# The ExeT encoding systems

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ExeT's system of reclassification foresees 6 groups of codes, which are added on to the code groups of formal bookkeeping of Public Administrations

1. Expenditure according to an economic-functional classification (EFC)
  2. Expenditure according to final beneficiaries (FB)
  3. Expenditure according to financial means (FM)
  4. Expenditure according to types of tourism (TT)
  5. Expenditure for the preservation and the exploitation of natural resources (RN)
  6. Expenditure for the protection and the improvement of cultural, architectural and archaeological heritage (TC)
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# Recoded items

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The classification of expenditure according to an economic-functional criteria (*EFC*) detects the typical interventions of tourist policy; it is made up of two letters and it encompasses the following items:

- ✓ BC – Interventions in favour of cultural, archaeological and architectural heritage;
- ✓ CU – Interventions for the development of urban centres;
- ✓ EN – Interventions in favour of natural resources of interest for tourism;
- ✓ IF – Education and training;
- ✓ IT – Tangible and intangible infrastructures;
- ✓ PM – Promotion and marketing;
- ✓ IA – Business investments;
- ✓ RS – Studies, research, publications, monitoring;
- ✓ AL – Others;
- ✓ NC – Unclassifiable.

The classification of expenditure in support of different types of tourism (*TT*) highlights the forms of tourism that interventions are aimed at. It is made up of one letter and it encompasses the following items:

- ✓ A – Farm tourism;
  - ✓ M – Rural tourism;
  - ✓ E – Wine and food tourism;
  - ✓ T – Thermal and wellness tourism;
  - ✓ S – Educational tourism;
  - ✓ B – Beach and boat tourism;
  - ✓ K – Sports tourism;
  - ✓ C – Cultural tourism;
  - ✓ N – Naturalistic tourism;
  - ✓ R – Religious tourism;
  - ✓ I – Winter tourism;
  - ✓ F – Fares and congresses;
  - ✓ P – Multi-service interventions;
  - ✓ L – Others.
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# Data-base structure

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Year

Strategy

Function

Provisional Unit

Chapter N.

Chapter description

CDR

Title

Source

SIOPE

Allocations (Expected competency - T)

Commitments (Expected commitments- T)

Payments (Payment competency- T)

Leavings (Leaving competency - T)

Expenditure according to an economic-functional classification

Expenditure according to final beneficiaries

Expenditure according to financial means

Expenditure according to types of tourism

Expenditure for the preservation and the exploitation of natural

resources Expenditure for the protection and the improvement

of cultural, architectural and archaeological heritage

# Data-analysis and indicators' construction: the Sardinia region case-study

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Our analysis are related to:

- *Regional public expenditures on tourism and their inherent sessions (Strategies, Functions, UPB)*
  - *Economic characterization of the tourism expenditures*
  - *Public spending speed (efficiency)*
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# Public spending on tourism consistency

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A great deal of sessions characterises the region's balance sheet on tourism: seven Strategic areas, eleven Functions and more than sixty Basic Forecast Units (BFU).

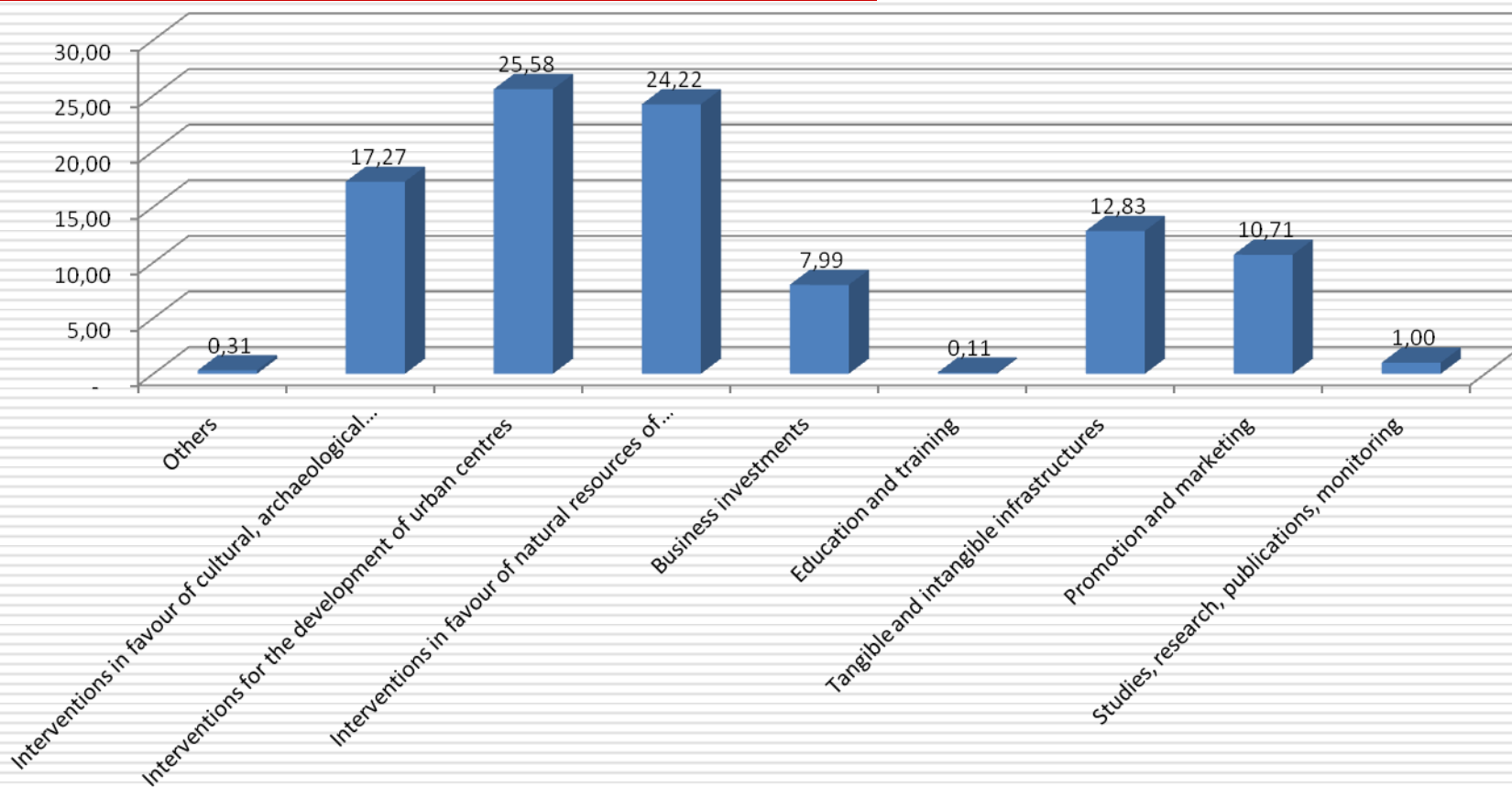
Sustainable tourism represents only 19% of the expenditure while city and urban systems, environmental and forest heritage and cultural heritage are of greater importance.

In any case, it turns out that tourism expenditure is fragmented, and divided into various spending centers, that is, between the various sectors of regional administration.

From a quantitative point of view, the expenditure amount in tourism is quite low (less than 9% of the total amount), while the incidence of capital expenditure appears to be quite relevant (71% of total tourist expenditure).

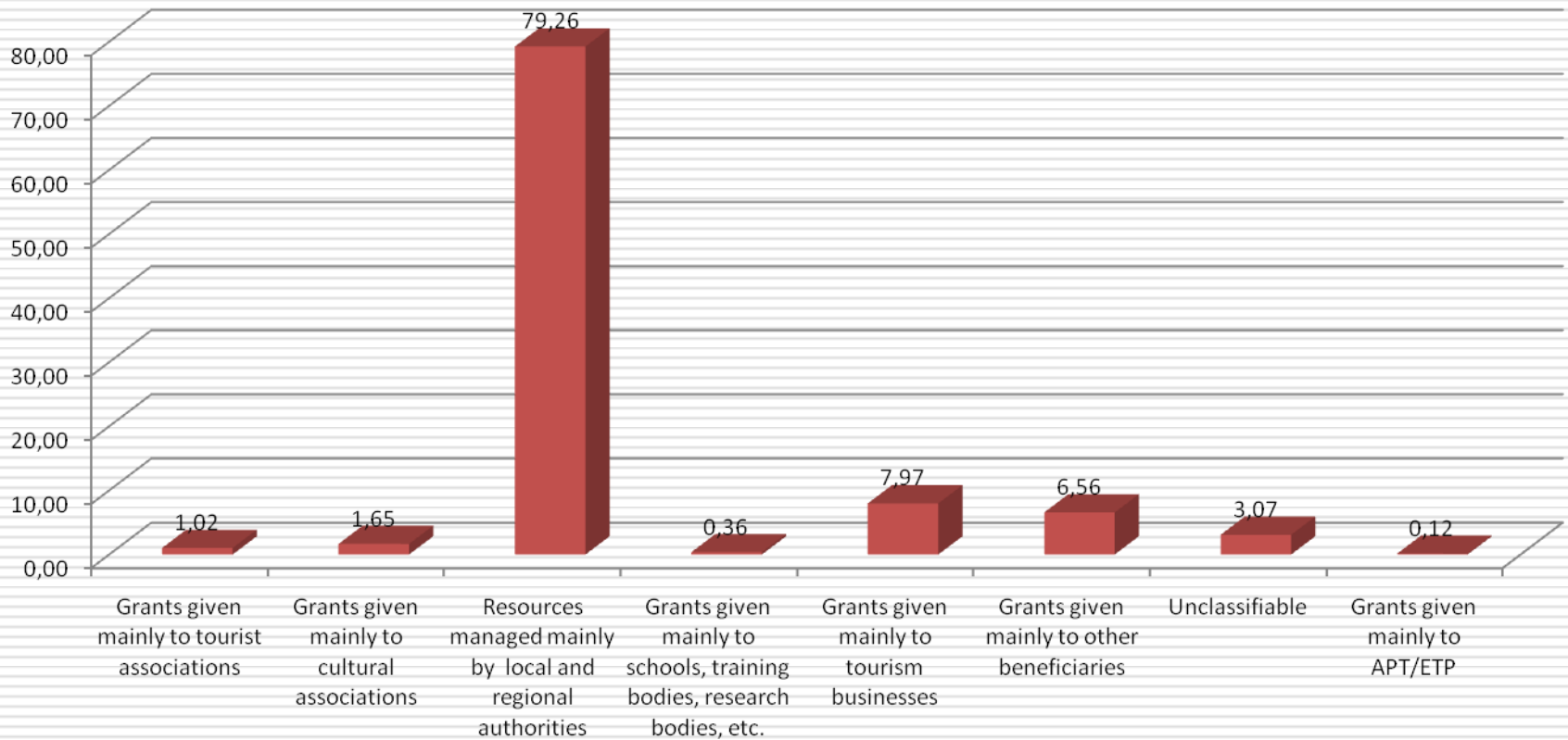
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## Allocations following an economic-functional classification. Year 2008. Percentage values.

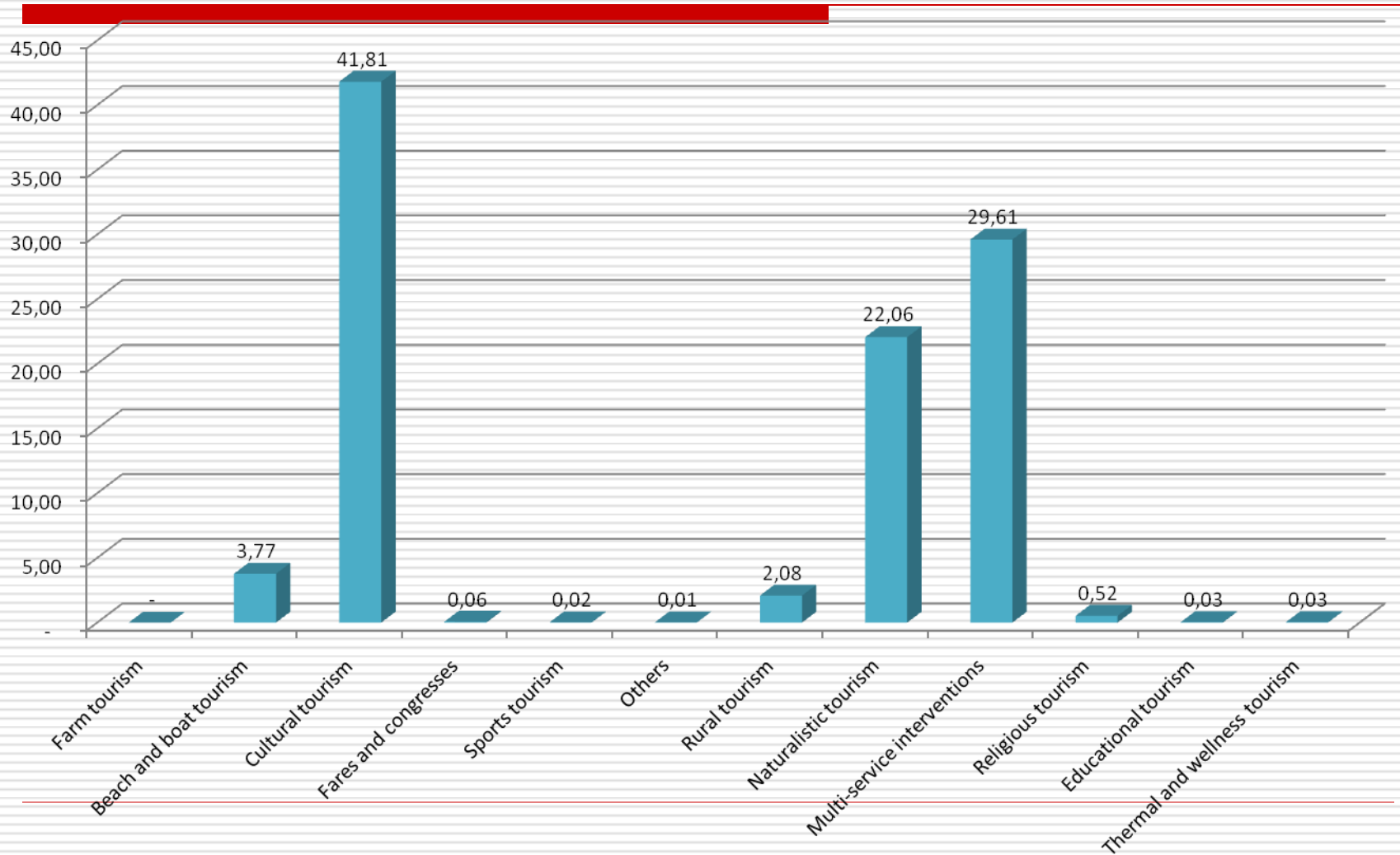


# Allocations per final beneficiaries. Year 2008. Percentage values.

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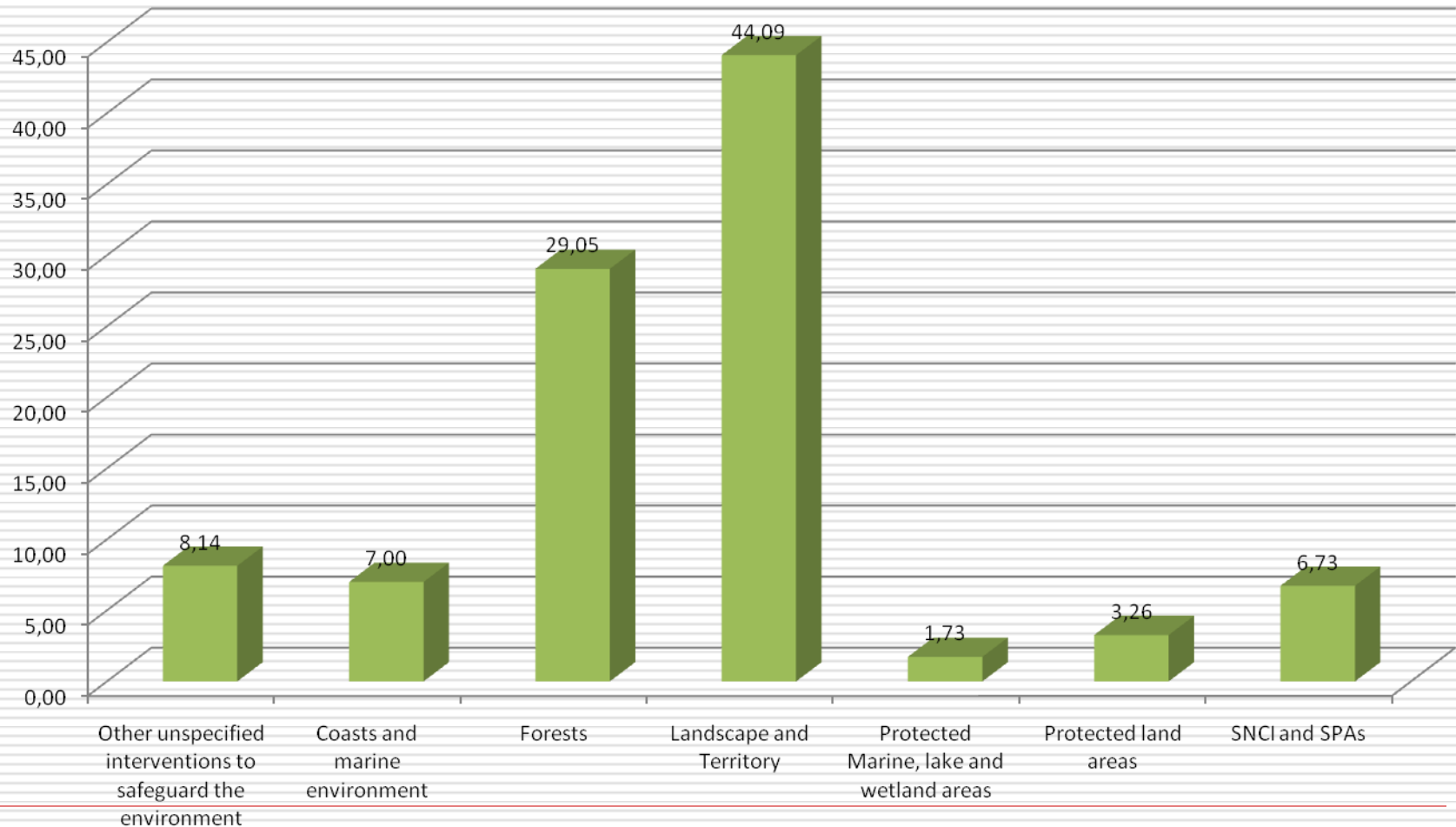


# Allocations according to different types of tourism. Year 2008. Percentage values.

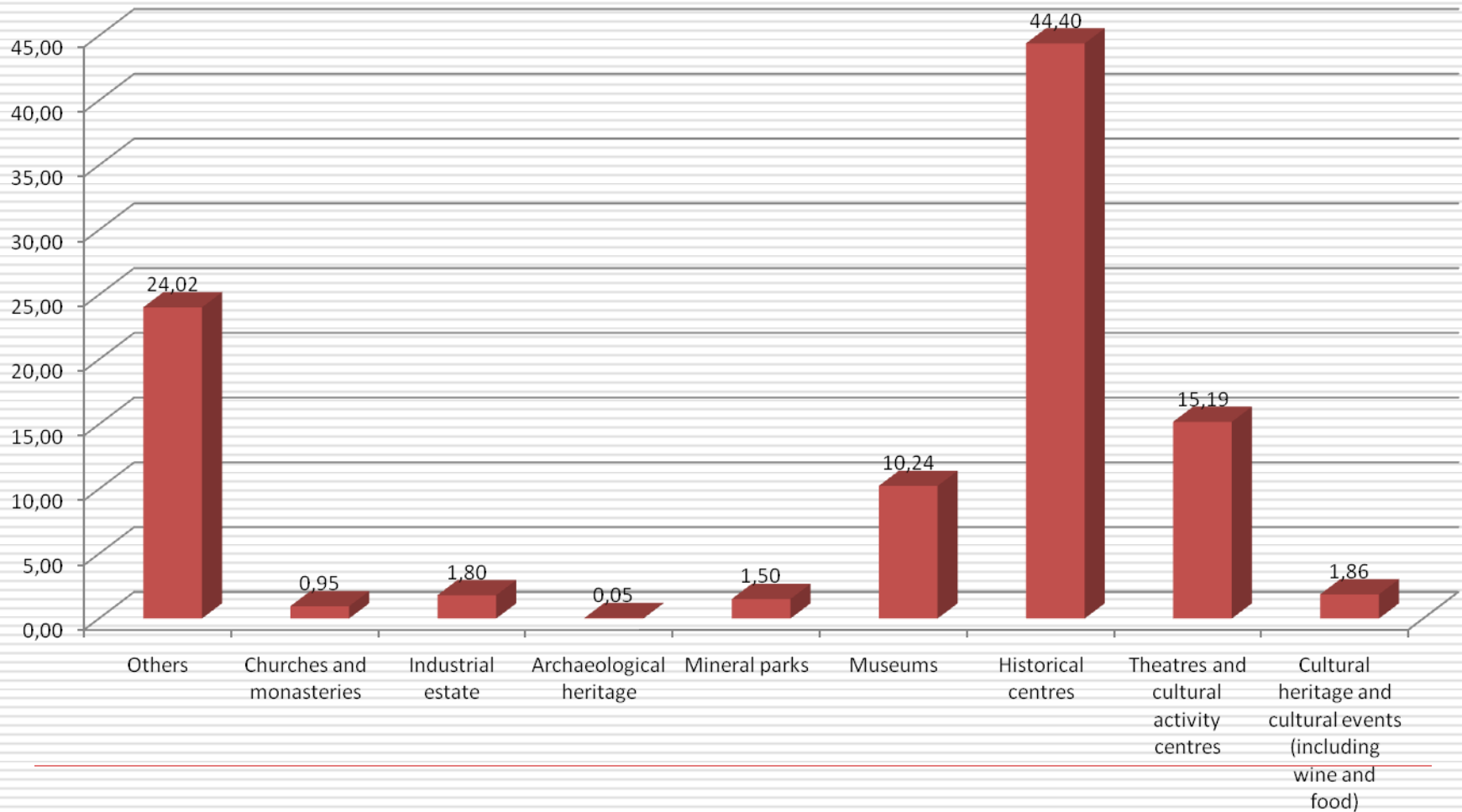




# Allocations according to interventions in favour of the environment. Year 2008. Percentage values.

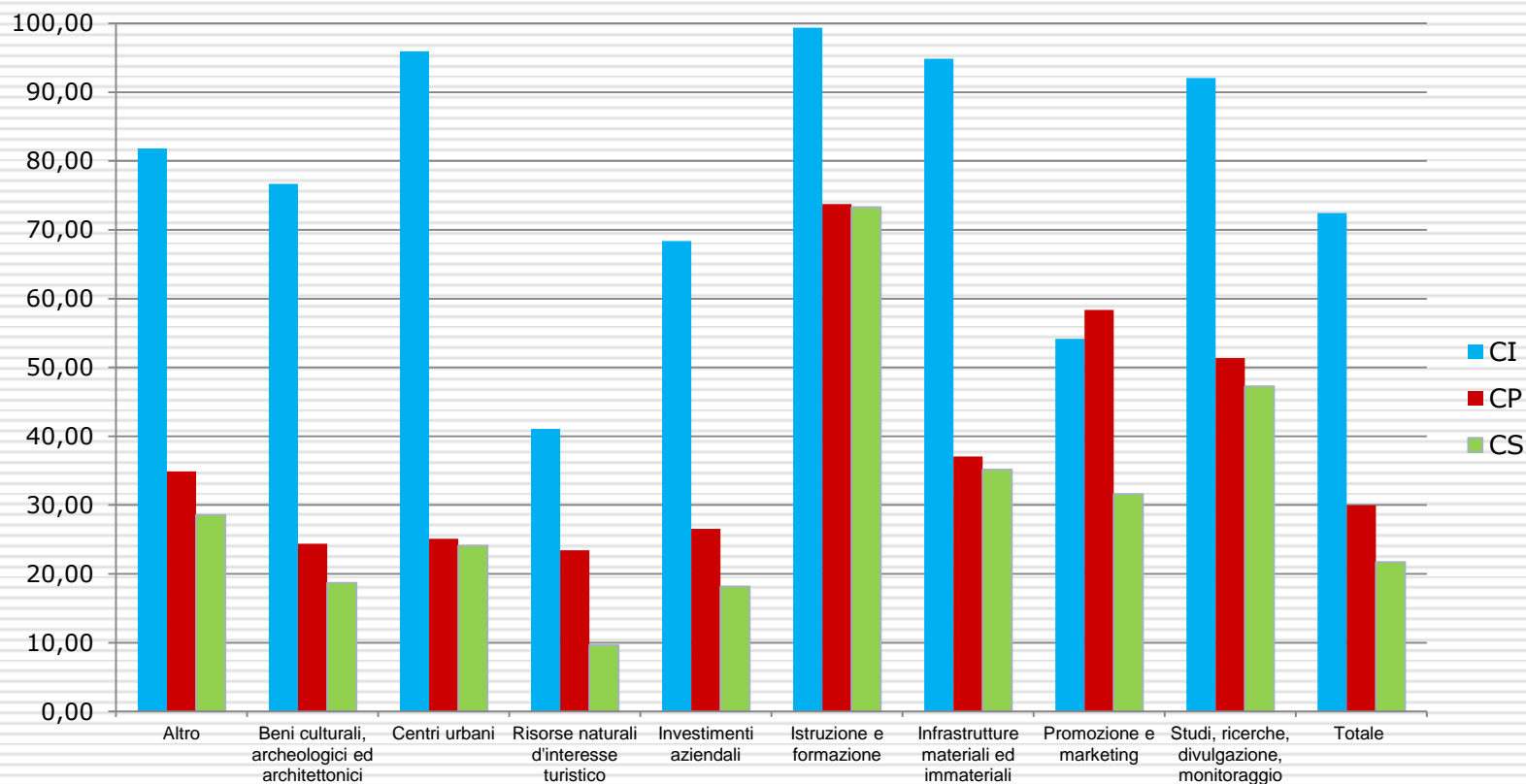


# Allocations according to interventions aimed at safeguarding the cultural heritage. Year 2008.



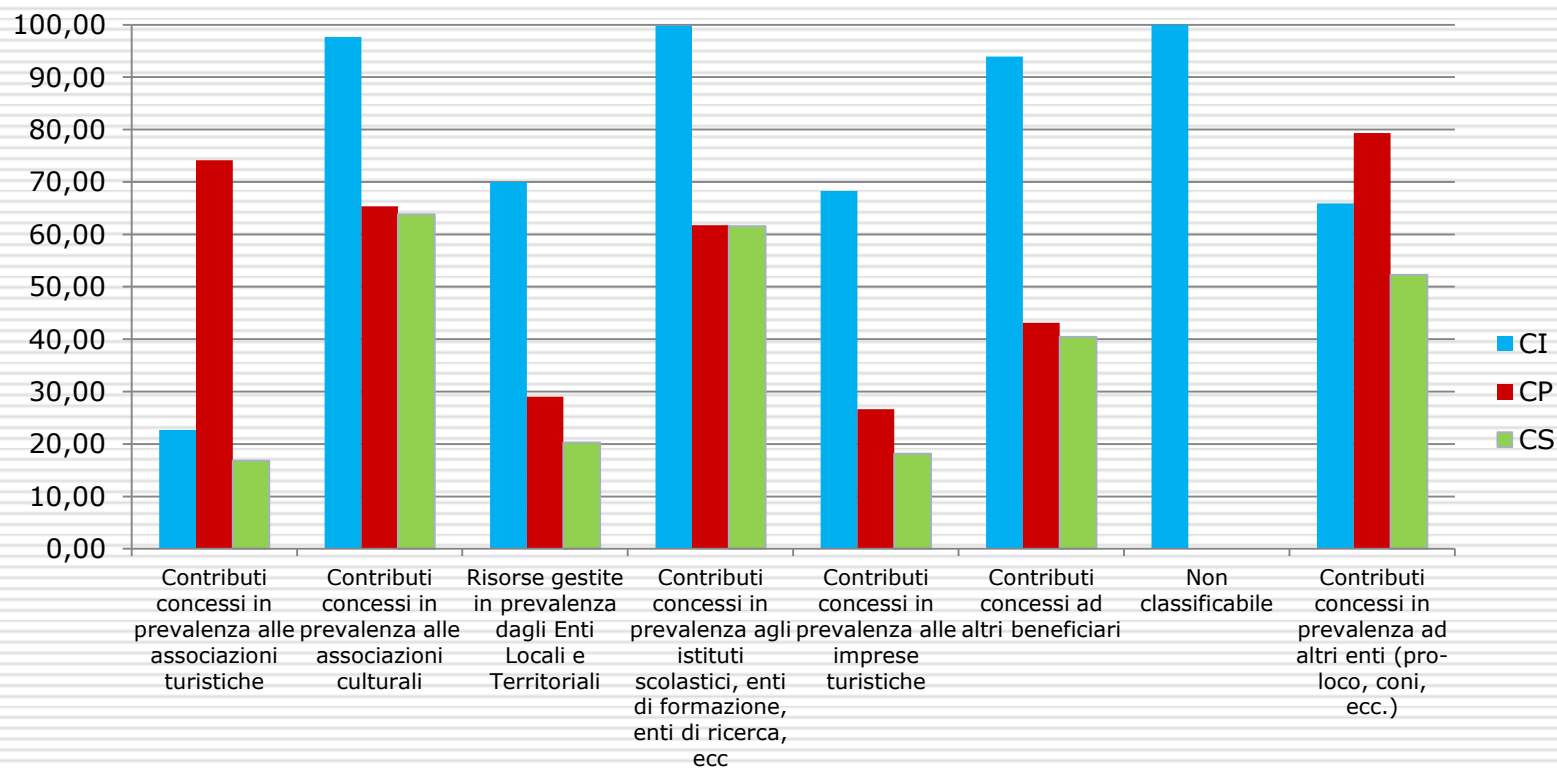
# Efficiency indicators

## Efficiency indicators in relation to the economic and functional recoding



# Efficiency indicators

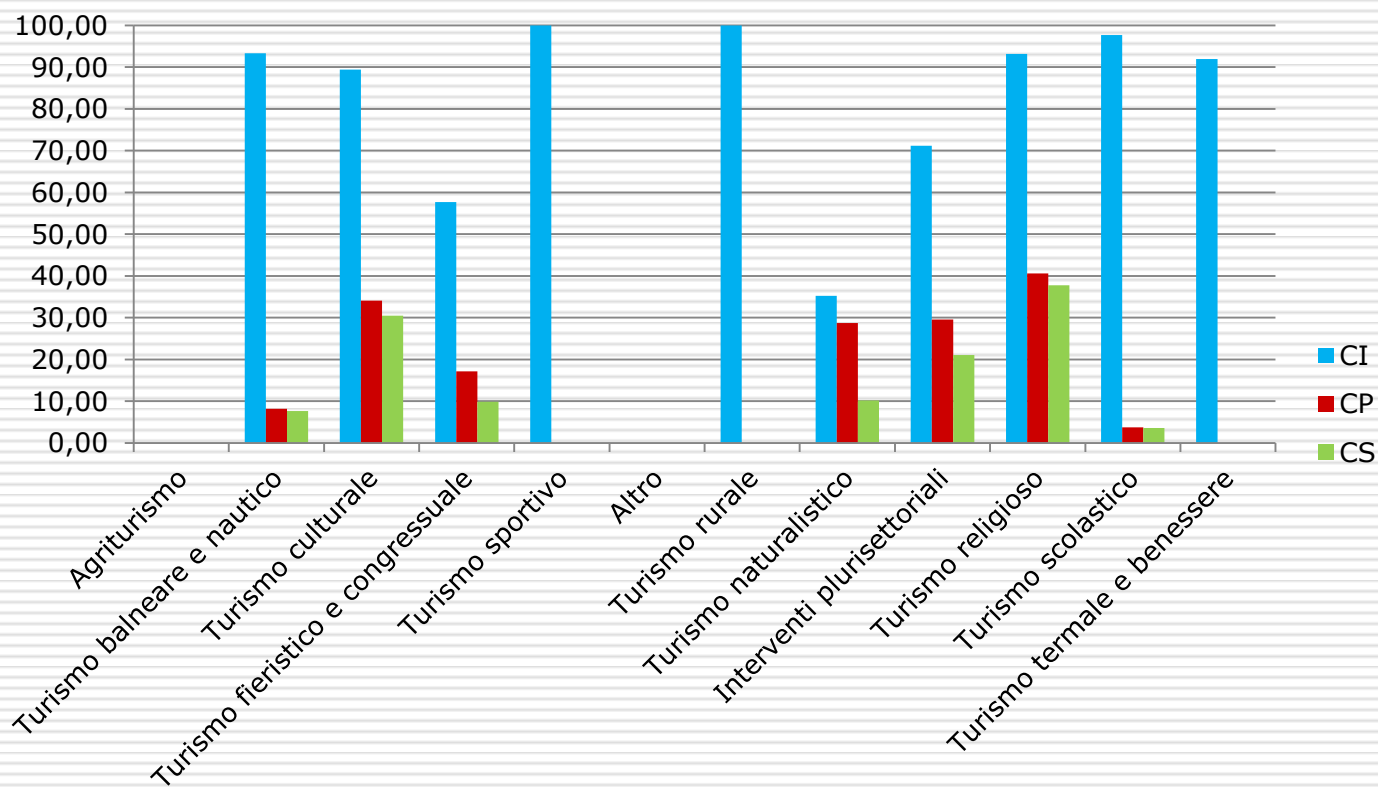
## Efficiency indicators in relation to the final beneficiaries



# Efficiency indicators

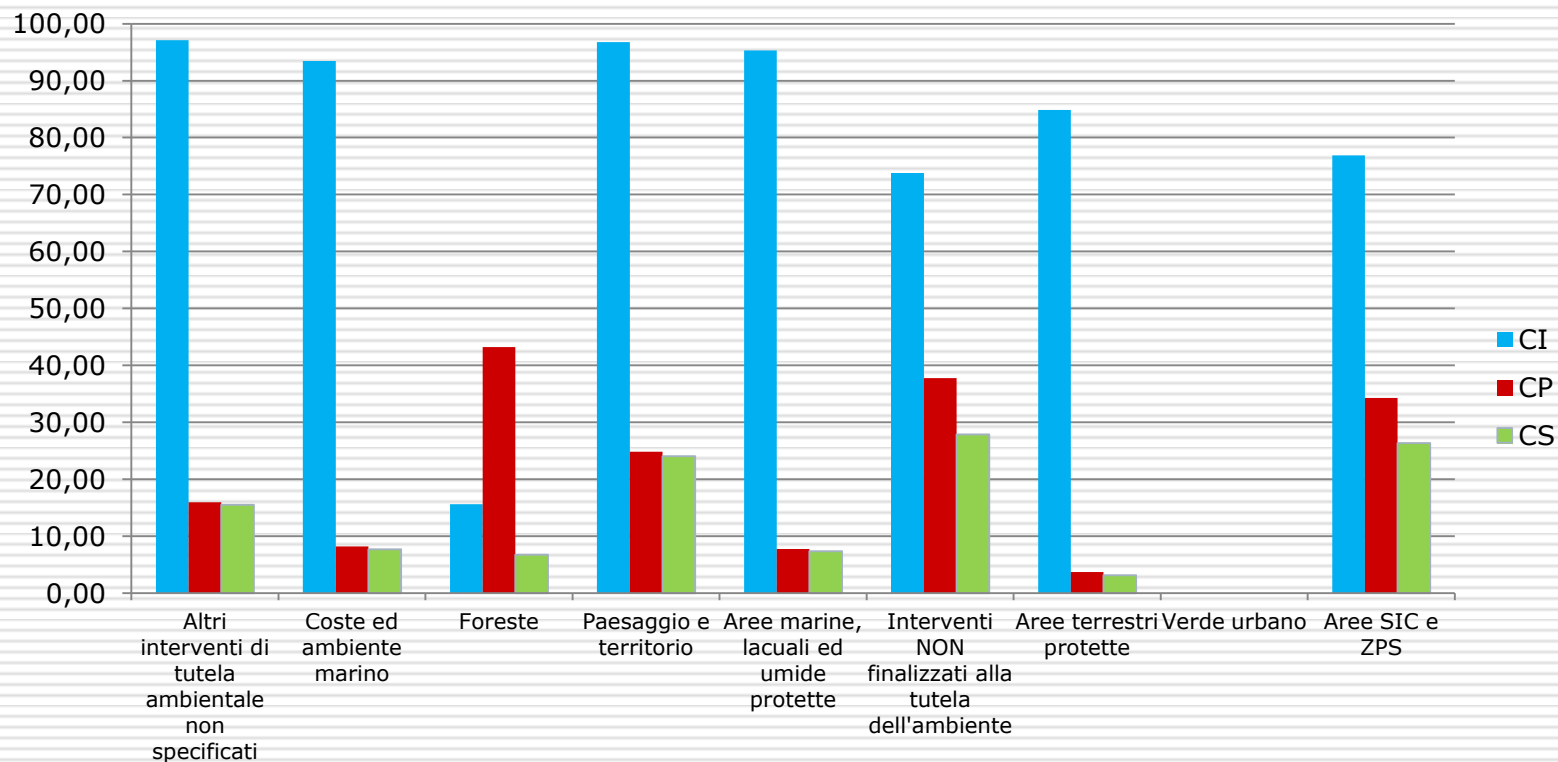
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## Efficiency indicators in relation to the tourism typologies



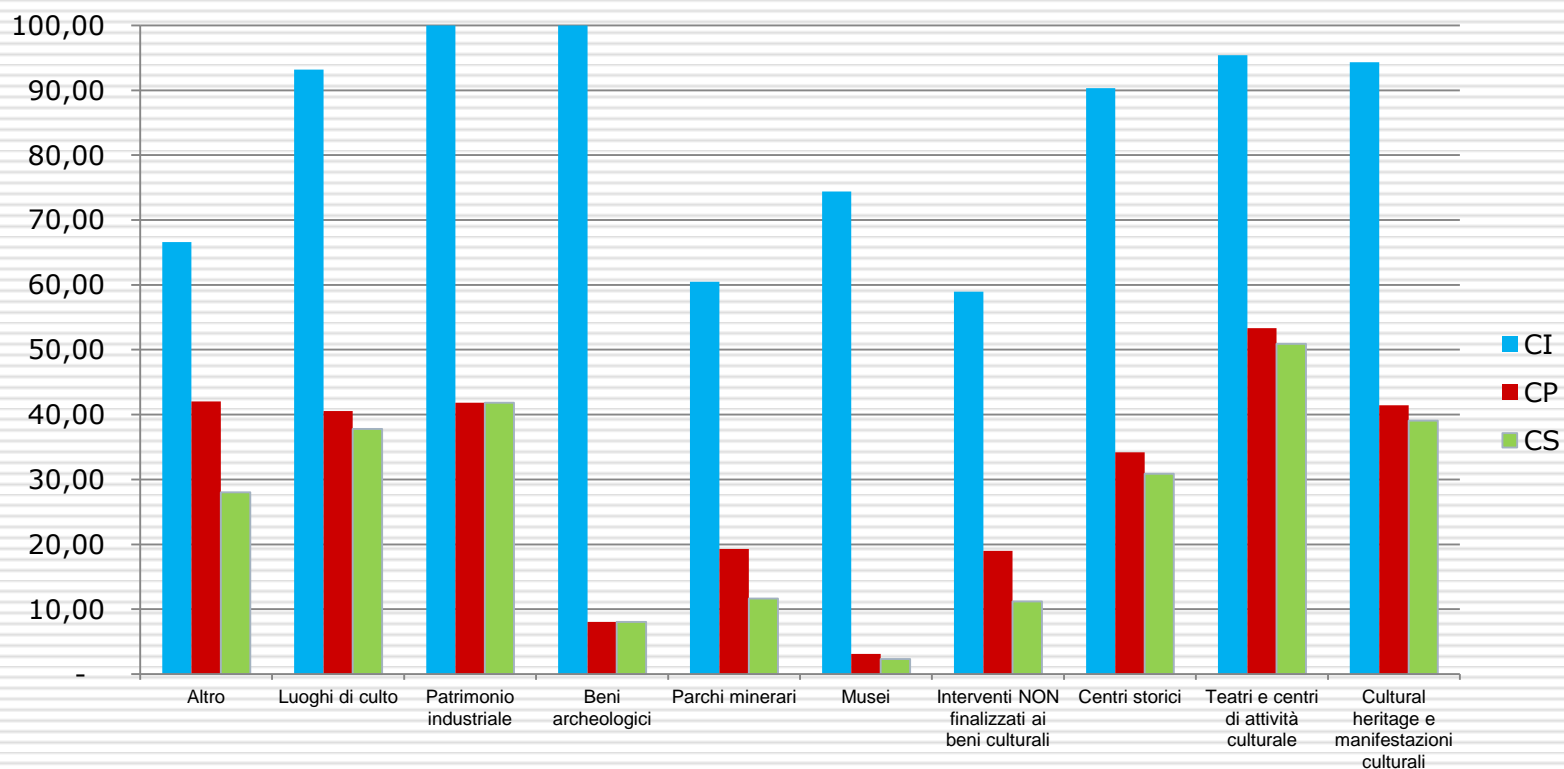
# Efficiency indicators

## Efficiency indicators in relation to environmental interventions



# Efficiency indicators

## Efficiency indicators in relation to cultural heritage interventions



# Research's added value

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ExeT methodology was able to make available a considerable amount of information relative to regional public expenditure for tourism, and provided for a data storing system of greater depth with respect to regular information that comes from each single budget chapter and which is helpful in assessing efficiency and efficaciousness.

This type of classification enables one to identify the sector of the body (department) that acts as a spending centre, and hence all the connections between sectorial policies for tourism and other regional policies, as well as the beneficiaries of the interventions.

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# Concluding remarks

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Strong outflow of expenditure between the various departments of regional administration (need for an “Institutional Coordination Centre”?).

Difficulties in the management of financial resources, given that the balance (difference between commitments and payments) is quite substantial.

Needs highlighted:  
to revise regional public policies in terms of quality; to pay more attention to innovative interventions, such as for instance, supporting STLs and environment quality certification systems; to link to promotional interventions and to those in favour of enterprises



Participatory action-research to assess the congruence of regional expenditure in relation to the policy's objectives



# Expected results of the overall research project

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**Public spending's  
efficiency  
benchmarking in  
order to produce  
good practices**

**SHORT RUN**

**Support to public  
local administrative  
Bodies for a  
sustainable tourism  
development and  
towards an efficient  
and effective public  
spending**

**LONG RUN**

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