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## The competitiveness of Italy as a tourism destination

Silvia Angeloni

### Abstract

The paper sets out to explore the complexities and potential of Italy's tourism destination in order to determine how government, firms and civil society can benefit from tourism and avoid its negative impacts. To achieve this aim, the research uses and adapts a theoretical model of destination competitiveness. Results indicate that main problems of Italian destination arise above all from the weakness of National tourism governance. The study highlights that the competitiveness of tourism destination can be improved by shifting from a micro, local level to a macro, national level. Another central question underlying this paper is whether education system in tourism has been adequately represented in destination competitiveness models. The influence of education system on tourism, intended as a key determinant of success in supporting strategies of tourism destination, suggests some directions of further investigation on destination competitiveness.

**Keywords:** Italy; Tourism destination competitiveness; Dwyer and Kim's model; University education.

### 1 – Introduction

Tourism destination competitiveness is a topic that has been gaining attention of researchers due to the increasing complexity that destinations must face to achieve, maintain or improve important benefits (Pearce and Butler, 1999; Scheyvens, 2002, 2011). Italy was chosen as a unit of analysis in this competitiveness research for two reasons. Firstly, there was still insufficient literature on Italy as a tourism destination (Angeloni, 2012), whereas extant studies focus on Italian regions, provinces, districts (Cracolici and Nijkamp, 2009; Cracolici, Nijkamp and Rietveld, 2008; Iorio and Wall, 2012; Sainaghi, 2006). Secondly, up to the 1980s Italy was in fact the top international tourism destination, but then such ranking gradually decreased. Therefore, the purpose of the research was to illustrate Italy as an emblematic case of why and how a leading tourism destination may lose competitiveness along the years, and to indicate what are the key factors that can be leveraged in order to regain ground.

The Italian context presents some specific strengths and weaknesses that deserve attention.

Country's strengths are its cultural richness, with many world heritage sites, international fairs and exhibitions, and rich creative industries. There are few destinations in the rest of Europe which can match the combination of history, culture, artistic treasures,

scenery, fashion, design, food and wine offered by Italy. The variety and richness of tourist attractions should be used as lever to push the tourists to revisit the country.

However, Italian destination shows also a number of problems that bring its overall rating down. These include sector governance issues, instable and complex body of rules and regulations, difficulties in attracting foreign investments, scarce maintenance of tourism facilities and transport infrastructure, staff inadequately trained for facing fierce competition worldwide, limited ability to fully understand the demand and to develop competitive tourist products, lack of price competitiveness. In addition, Italian destination suffers from high seasonality and over-congestion of some areas (such as Venice, Florence and Rome), to detriment of some hidden beauties still unknown to foreign tourists (e.g. numerous historical villages or southern zones).

To refresh and revitalize its image, the Italian destination must focus on developing the sector in an environmentally sustainable way and also needs a more farsighted managerial class, willing to invest in eco-friendly solutions, in certification of quality, in diversification of existing products, in training of employees, in marketing, in management and organizational innovation and in Information and Communication Technology. Tourism offers endless opportunities for adding value to Italian historic and artistic heritage, both in terms of communicating the identities of

its territories and of attracting new resources for their conservation and enhancement. A vital element for relaunching tourism sector is a radical shift in political approach to tourism issue, which, except some recent signals, is something never considered a priority or a great opportunity for developing the economy and creating more employment. The traditional fragmented structure of the Italian market is not able to address problems of strategic positioning at world level. The success of a destination is mainly linked to the ability of its actors to 'make a system', working consistently towards shared goals. Consequently, legislative framework should facilitate the processes of aggregation and 'coopetition' (hybrid behavior comprising competition and cooperation), focusing on the new youth entrepreneurship.

The analysis of Italy as a tourism destination is tackled by using and integrating one of the models elaborated by the literature. The results achieved are twofold. As practical implications, the paper indicates how tourism planners can better design national strategies for revitalizing Italy as a tourism destination. In this regard, the study underlines that the competitiveness of tourism destination can be improved by shifting from a micro, local level to a macro, national level. Furthermore, the research is aimed to contribute to the increasing literature on destination competitiveness, emphasizing the need for a more comprehensive approach, which stresses and re-evaluates the role of education system, especially university education, as a factor that influences quality of tourism experience.

The paper proceeds as follows: first, a review of the literature on competitiveness of destination is undertaken. Second, a model of destination competitiveness is selected and integrated in order to shape the research design. Third, the Italian destination competitiveness, deduced by results of international surveys, is investigated and commented through the following main determinants: resources, destination management (subdivided into government, industry and education system), demand, situational conditions. Fourth, the advantages and limitations of the research are highlighted, and issues for further research are illustrated.

## 2 – Literature review

The present study is built on the existing literature of tourism destination competitiveness (Dwyer, Forsyth and Rao, 2000a, 2000b; Dwyer and Kim, 2003; Enright and Newton, 2004, 2005; Go and Govers, 2000; Heath, 2002; Mihalic, 2000; Pearce, 1997; Pearce and Tan, 2002; Ritchie and Crouch, 1999, 2000, 2003). 'Tourism destination' can be defined as "an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited" (Murphy, Pritchard and Smith, 2000: 44). A tourism destination can be perceived at various geo-

graphical scales: as a small attraction, a village, a town, a region or, as assumed in this paper, as a country. 'Destination competitiveness' has been explained as the ability of a destination to maintain its market position and share and/or to improve upon them through time (d'Hautesserre, 2000). Hassan (2000: 239) described 'competitiveness' as "the destination's ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors". According to other scholars (Chon and Meyer, 1995: 229), "destination competitiveness is the degree to which it can, under free and fair market conditions, produce services that meet the taste of international markets while simultaneously expanding the real income of its employees (citizens)".

Since the late 1990s, many studies have attempted to identify main elements of destination competitiveness. Buhalis (2000) asserted that destination competitiveness may be improved through product development, distribution channels, promotion and communication, and above all through policies of pricing. Heath (2002) affirmed that 'the key success drivers' in a destination competitiveness mainly rotate around the establishment of a shared vision and inspirational leadership, clear guiding values and principles, strategic emphasis on the 'people' factor. Ritchie and Crouch (1999, 2000, 2003), by their 'destination competitiveness & sustainability' model, identified 36 attributes of destination competitiveness, grouped into five main factors: supporting factors and resources; core resources and attractors; destination management; destination policy, planning and development; qualifying and amplifying determinants.

Also Dwyer and Kim (2003) and Dwyer *et al.* (Dwyer, Mellor, Livaic, Edwards and Kim, 2004), as Ritchie and Crouch did, developed a holistic model, including tourism 'demand' among factors that affect of destination competitiveness. Dwyer and Kim (2003) proposed an integrated model of destination competitiveness, where the variables of competitiveness destination consist of 'resources', 'destination management', 'situational conditions', 'demand'.

The models elaborated by the literature underline that the analysis of tourism competitiveness is a multi-dimensional and complex topic, whose understanding involves multiple layers of investigation. Nevertheless, it appears that most models of destination competitiveness underestimate the centrality of education system for destination competitiveness, failing to make more explicit this variable.

The present research employed and adapted model of Dwyer and Kim (2003), because their model seemed capture the main elements of competitiveness and more apt to describe the case of Italian destination and to collect data. Particularly, their model has the merit of bringing together the main elements of national and firm competitiveness, as suggested by the

wider literature, and the further merit of indicating the destination competitiveness as an intermediate goal towards a more fundamental aim of socio-economic well-being for residents, as proposed by various tourism researchers, especially Ritchie and Crouch. The model helps to clarify the complex connections that tie the national tourism policies and actions into those undertaken of other local actors (local firms and local government). In addition, the selected model “allows tourism stakeholders in both the private and public sector to identify key strengths and weaknesses of their destination from the visitor perspective, to highlight opportunities for tourism development, and to develop strategies to counter possible threats to future visitation” (Dwyer *et al.*, 2004: 91).

### 3 – Conceptual model

The investigation here presented uses an approach predominantly conceptual. The research method is based on the theoretical scheme of Dwyer and Kim (2003). Therefore, the research design explores the Italian destination through its ‘resources’, ‘destination management’, ‘demand’ and ‘situational conditions’, developed according to main indications of the scholars above cited.

In Dwyer and Kim’s model the ‘resources’ include ‘endowed resources’ (represented by ‘natural resources’ and ‘heritage resources’), ‘created resources’ (like tourism infrastructure, special events, the range of available activities, entertainment etc.), and ‘supporting resources’ (including general infrastructure, accessibility of destination, quality of service, hospitality etc.).

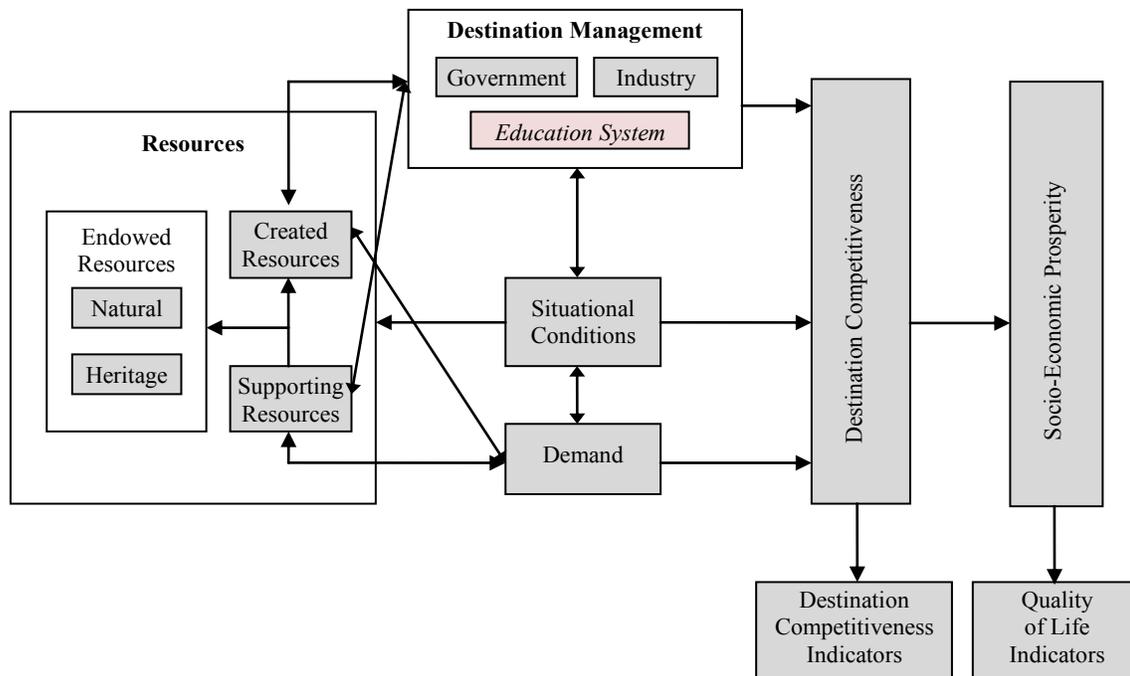
‘Destination Management’ is the second important component of the model and includes those factors that can enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and resources and best adapt to the constraints imposed by the ‘situational conditions’. The model makes a distinction between Destination Management activities undertaken by the public sector and Destination Management undertaken by the private sector. The activities of the public sector concern the development of national tourism strategies, marketing by the National Tourism Organization, national and regional manpower programs, environmental protection legislation etc. The activities of the private sector include those of tourism/hospitality industry associations, industry involvement in funding of destination marketing programs, industry training programs, industry adoption of green tourism operations etc.

‘Demand’ (specifically tourist preferences and motives for travel) influences the types of products and services developed within a destination. Therefore, the scholars consider not only the attributes of the destination that attracts tourists (pull factors) but

also the motivational force arising from the tourists itself (push factors).

‘Situational conditions’ include factors able to modify the influence of the other components positively or negatively (like economic, social, cultural, demographic, environmental, political, legal, technological, competitive trends). The model then shows that ‘resources’ and ‘destination management’ interact with tourism ‘demand’ and ‘situational conditions’, and all these four factors influence destination competitiveness and socio-economic prosperity. Indeed, destination competitiveness is the output of the process, linking backwards to the various determinants of competitiveness and forward to ‘socio-economic prosperity’. Their model explicitly recognizes that destination competitiveness is not an ultimate end of policy making, but an intermediate goal towards the objective of socio-economic prosperity. During the revision also of this model on destination competitiveness, it became evident that the variable of education system in tourism was not adequately represented, although general agreement exists that knowledge is “one of, and perhaps, the driver of innovation, productivity and competitiveness in tourism” (Shaw and Williams, 2009: 333). Education system in tourism, intended as supply of learning programs focused on achieving knowledge and skills in the tourism sector (Baum, 2007), is a dimension influencing the ‘future’ competitiveness of destination, since it determines: one, the presence or absence of a class of workers (politicians, officers, employees etc.) able to plan, manage and enhance tourism; two, the presence or absence of citizens able to see the strong synergies between tourism and well-being of residents in destinations. The educational system should deserve a more explicit display in the models because it has considerable repercussions on tourism competitiveness. In the absence of appropriate and high knowledge on touristic issues, it is difficult for a destination to have a skilled human capital, a friendly openness to tourists, a right interaction between hosts and guests.

Therefore, the present paper is inspired above all by the conceptual competitiveness model developed by Dwyer and Kim (2003), but their framework is modified/integrated by more explicit highlighting of another crucial key variable: education system (that in original model is incorporated into ‘destination management’, without a more central reference). Precisely, the paper proposes to substitute the bipartition of destination management (‘government’ and ‘industry’) with a three-partition: ‘government’, ‘industry’ and ‘education system’ (see Figure 1 above). Particularly, education system can be seen as a field where both the public and the private sectors have critical responsibilities. This more comprehensive approach allows achieving a model of destination competitiveness more prospective and dynamic.

Figure 1 – *Integrated model of destination competitiveness*

Source: adapted from Dwyer and Kim (2003)

Indeed, national destination competitiveness is closely linked to the level of knowledge and skills of people working in this area, but the quality of workforce is inevitably influenced by education system, especially university, in the tourism field.

Therefore, the model of Dwyer and Kim has been elaborated and revisited by means of: (a) integration with the literature on tourism destination (namely, the literature underlining the central role of education); (b) aggregation of statistical data provided by primary sources (e.g. World Travel & Tourism Council, Italian National Institute of Statistics etc.) and secondary sources (namely, figures provided by Statistical Office of Ministry of Education, University and Research).

To discuss the Italian case, the reasoning was supported by quantitative data. The research data were derived from more recent studies and main statistical sources of international and national organizations, even in the knowledge that interpreting statistics and adopting methodological approaches are problematic undertakings (Leiper, 1990), also because a satisfactory level of completeness and comparability of world tourism data has not been reached yet (Mazanec, Wöber and Zins, 2007). Many efforts have been made to gather and systematize the different data of tourism interest, because in Italy there are many organizations that provide figures and information on tourism, but there is not one organization

responsible and obliged to homogenize and process global data. Some data about university education system were recovered by mandating skilled office of Ministry of University, since not accessible and available through the normal means of investigation.

#### 4 – Application of the model

Italy remains one of the most visited tourism destinations in the world.

During the 1990s and up to the start of the new millennium, Italy ranked fourth worldwide. An examination of the world's top tourism destinations reveals that in 2010 Italy ranked fifth in terms of international arrivals (almost 44 million) after France, the United States, China and Spain (UNWTO, 2011). In 2005, China overtook Italy, which therefore lost the fourth place. Italy also ranks fifth on international tourism receipts (38.8 billion dollars), following the United States, Spain, France and China. In 2010, in terms of receipts, Italy lost its fourth position, overtaken by China.

Another reference for countries' competitiveness is provided by the World Economic Forum (2011) that recently published the fourth edition of Travel & Tourism Competitiveness Report. The study analyses the travel and tourism (T&T) competitiveness of 139 economies around the world. The T&T competitive-

ness index is obtained by summarizing three sub-indexes ('T&T regulatory framework', 'T&T business environment and infrastructure', 'T&T human, cultural, and natural resources'), in turn based on 14 pillars. After weighing up all the variables, this impressive study shows at a glance that in 2011 Switzerland ranks top (it also headed the table in 2009), Germany second (third in 2009), France third (fourth in 2009). Italy, meanwhile, only ranks in 27<sup>th</sup> place overall (rising by just one position after being 28<sup>th</sup> in 2009), and 20<sup>th</sup> in Europe. Italy's final result is positively influenced by some of the strengths, such as cultural resources (in which it ranks 8<sup>th</sup>), the country's health and hygiene (ranking 27<sup>th</sup>) and, overall, its excellent tourism infrastructure (in which it ranks top). Conversely, the final table is negatively impacted by the presence of policy rules and regulations (which, disappointingly, rank 84<sup>th</sup>), largely the result of a lack of foreign ownership and of transparency in government policymaking. Other variables that drag the overall rating down include the lack of attention towards environmental sustainability (Italy ranks 129<sup>th</sup>) and the general lack of affinity for travel and tourism (Italy ranks 91<sup>th</sup>), because of weak openness of a part of the population towards tourism and foreign people.

By use of the modified model, the following sections attempt to examine the main reasons underlying the present level of competitiveness, highlighting strengths and weaknesses of the Italian destination as a whole.

#### 4.1 – Resources

Theoretically 'endowed resources' are the greatest strength of Italy, universally recognized as one of the most beautiful countries as regards landscape and artistic-cultural heritage.

The country boasts 7,400 km of coastline (68% of which utilized for bathing), 24 national parks and 27 protected marine areas. Also in 2013 Italy holds the highest number of cultural and artistic sites recognized by UNESCO: 45 cultural sites and 4 natural sites (see <http://whc.unesco.org/en/statesparties/it>).

In addition, Italy has a rich cultural heritage property of touristic interest, as shown in Table 1 (MiBAC, 2011; TCI, 2003). This list highlights the richness and variety that tourists encounter in Italy.

Italy is also particularly appreciated for its culinary excellence. The Food and Wine Industry offers: 143 P.D.O. (protected designation of origin) products; 86 P.G.I. (protected geographical indication) products; 120 I.G.T. (typical geographical indication), 68 C.G.D.O. (controlled and guaranteed designation of origin) and 331 D.O.C. (controlled designation of origin) wines (MiBAC, 2011: 26).

Table 1 – *Breakdown of cultural heritage property of touristic interest*

Typology	Number
Churches and Abbeys	7,282
Palaces and Residences	4,109
Castles and Fortifications	2,054
Monuments of antiquity	1,034
Historic gardens	491
Museums	3,617
Libraries	12,375
Places of entertainment	34,000

Source: adapted from TCI Research Department (2003), MiBAC (2011)

Unfortunately, Italy, with some exceptions, has been unable to protect this wealth and to exploit it economically. Because of the scarcity of public resources and a short-sighted management, many artistic masterpieces risk deteriorations. The most emblematic example of this negligence is represented by collapses in Pompeii, one of Italy's most tourist attractions. In November 2010 the most serious collapse hit the 'House of the Gladiators', a 2,000-year-old structure in the ancient Roman city of Pompeii.

Some criticism should be made also concerning the state of landscape conservation. Italy has erred through over-construction and ill-planned development, resulting in excessive urbanization of its coasts. In Italy "over 43% of the coastline is completely urbanized, 28% is partly urbanized and less than 29% is still free of construction. There are only six stretches of coast over 20 km long that are free of construction and only 33 stretches between 10 and 20 km long without any construction" (Hall, 2006: 147). Urban sprawl is the effect of environmental aggression that has marred beautiful surroundings without respecting the laws of nature or man. Consequently, exceptional or natural events, like floods, landslides and earthquakes, result to be even more dangerous and disastrous because of careless (and in some cases illegal) urban development and inappropriate building.

In regard to 'created resources', rich creative industries (organized into industrial districts) make Italy a very interesting country for foreign tourists. Italy shows many well-known events, like the Film Festival in Venice, the Festival of Literature in Mantua, the Science Festival of Genoa, the Journalism Festival in Perugia, the Festival of Economics in Trento, the Festival of Spirituality in Turin etc.

'Created resources' include also tourism infrastructure, among which accommodation facilities, tour operators and travel agents.

Italian tourism infrastructure is characterized by a strong prevalence of micro-businesses (i.e. with less than ten employees) and small businesses (with less than fifty employees), often family-owned and family-run. In Italy micro-travel agencies account for 93.8% of the total, micro-restaurants account for 96.1% of the total, and micro-hotels account for 85.1% of total. Travel agents and tour operators recorded as active in Italy in June 2011 were 12,310 and 136, respectively, giving a total of 12,446 enterprises (TCI, 2011: 51). Italian tour operators are too small compared to international competitors. Probably one of the shortcomings of Italian tour operators is not to have invested in brands, communication, direct relations with customers, and staff training. Recently, financial troubles have caused economic difficulties for Italian tour operators and, in some cases, the failure of the largest companies (Cit, Viaggi del Ventaglio, Parmatour).

The Italian tourism infrastructure occupies a leading position in the world (World Economic Forum, 2011: 226). According to National Tourism Observatory (Osservatorio Nazionale del Turismo, ONT, 2012: 35-36), Italy heads the European league table of numbers of accommodation facilities (hotel and other kind of accommodation). Furthermore Italy ranks 2<sup>th</sup> in Europe for number of rooms, following France and overtaking Spain, Germany and United Kingdom. France is different from other countries having a relatively small number of facilities of large size: 204.8 beds per facility against an EU average of 60. Italy, on the contrary, has a high number of accommodation establishments with a low number of beds (31.3). Italy ranks 3<sup>th</sup> in Europe with regard to number of hotel. Above Italy are United Kingdom and Germany. Italian hotels are small, because the average number of beds per Italian hotel is about 66.3. However, these figures are still above the European average, amounting to 62 beds per hotel.

In regard to 'supporting resources', Italy presents valuable health-care facilities. On the contrary, the general infrastructure of transport needs to be improved and modernized. Italy has 17,010 km of railways, 6,669 km motorways and 46 airports, almost half of which with traffic defined as medium. The number of medium-sized airports in Italy is higher than in Germany, but lower than in France, Spain and the United Kingdom (OECD, 2011: 41). In terms of railway network, Italy has a lower number of kilometers of railways per inhabitant: 285 kilometers per million inhabitants vs. over 400 kilometers in France and Germany, and 350 kilometers in Spain (OECD, 2011: 43). Southern Italy remains disadvantaged by a railway system that fails to provide sufficient access to places. However, overall, Italy has a significant transport infrastructure, but lags behind in terms of new transport infrastructures and intermodality (integration of various means of transport).

## 4.2 – Government

'Government' represents the public variable of destination management.

This factor can be examined at the level of 'organization' and 'legislative power'. Indeed, "organizations and regulations of a destination are responsible for destination development in a wide range of opportunities to ensure destination competitiveness" (Hong, 2008: 64).

The destination 'organization' requires: integration and cooperation of all actors at a holistic level; a strong and effective vision; capacity of management of economic, social and environmental resources. These roles can be covered by destination management organizations (DMOs), which literature identifies with convention and visitor bureaus, national and regional tourism organizations, tourism offices, authorities, councils etc. The DMOs "have overall responsibility for the entire destination product and through incentives and policies facilitate the development of products, and create local partnerships for the delivery of seamless experiences" (Buhalis, 2000: 108). As suggested by Kozak and Baloglu (2011: 82), "the primary goals of DMOs can include: the development of a comprehensive tourism information system for the destination; the creation of a corporate image of the region or the country as a tourism destination; the creation of a greater awareness of the destination in the marketplace".

Since this paper investigates national destination, it is important to check whether Italy is equipped with one or more DMOs, responsible for articulating and implementing development strategies at national level. Over the years, tourism has been a progressive marginalization in central organization.

Through various legislative measures dated 2012, the Department for the Development and Competitiveness of Tourism, established in 2006, has been deleted and replaced by the Department for Regional Affairs, Tourism and Sport, provided of a Minister without portfolio.

Therefore, after this change, the national tourism government was founded for about one year on the following institutions: the Prime Minister, supported by the Minister of Regional Affairs, Tourism and Sport; the Department for Regional Affairs, Tourism and Sport; ENIT-National Tourism Agency, responsible for the promotion of Italian abroad; the Permanent Tourism Coordination Committee, through which the 20 Italian regions can contribute to the formulation of national strategies.

The hybrid Department, which deals with three issues very different from each other (regional affairs, tourism and sport), is organized into six Offices, the last of which is responsible of tourism policy. As a result, the National Tourism Administration for about one year was not based on a specific ministry or a

specific department, but was relegated to a simple office. The downgrading of tourism policy from structure of 'department' to structure of 'office' revealed the myopia of the national policy maker, guilty of underestimate the potential of the tourism sector in the Italian economy.

After some further political changes, occurred at the end of April 2013 due to the establishment of a new government, a Ministry of Cultural Heritage and Tourism has finally been created, but the hybrid Department continues to exist, and this creates some confusion and overlap.

Therefore, for many years Italian destination has lacked a national DMO, as well as a strong national strategic plan. From a practical point, the national architecture prevented a holistic vision, given the absence of a centralized entity engaged in a proactive role of the tourism system. Italy suffered from fragmented approach to destination, with insufficient coordination between public and private sector stakeholders, and without a strong national promotion design (De Carlo, 2008: 60; OECD, 2011: 14-15). The national policy maker is still hardly able to prevent duplications and rivalry. Each region has its own budget of resources for promotion, but these fragmented resources are spent inefficiently. Locally, Italy has more than 7,500 regional, provincial and municipal department agencies and over 13,000 bodies involved in tourism in various capacities, with no central direction. Without national governance the supply tends to focus on few features already known to the general public, with negative effects on accessibility and quality of the experience of visiting. Particularly, the empty spaces due to the lack of clear national development strategies were filled by large foreign tour operators, which still guide and control the incoming flow of tourists (Baloglu and Mangaloglu, 2001). Trade policies adopted by these few actors, often foreign, have favoured a model of development oriented towards mass tourism and the banalization of tourism experiences.

As previously specified, a national DMO is required to collaborate with all different interest groups in planning a sustainable development. This collaboration can operate smoothly, efficiently, and effectively in presence of 'well related regulations', essential to encourage management organizations to provide more suitable strategic planning of tourism development in shaping its competitive advantages with respect to future challenges. The question is: does Italy enjoy well-related regulations? To find the answer, it should be noted that, after the constitutional amendment of 2001, regions have obtained an exclusive legislative power in tourism matter. Despite this, the national legislator has recently felt the need to re-order regulations and provide a unitary framework, in order to reinforce the protection of consumers and

ensure uniform enhancement, development and competitiveness in the supply of tourism.

Namely, the Code of Tourism was issued, by legislative decree no. 79/2011, including 69 articles in its original version. The new text aimed to introduce a certain level of legislative harmonization in a country where the development and competitiveness of tourism have likely been compromised by the number and complexity of regulations. However, the Italian regulatory framework is still very confused. In 2012, the Constitutional Court, considering well-founded the claims raised by four regions, held that some parts of the Tourism Code centralized in the hands of the state duties and functions delegated by Constitution to the regions. Therefore, 19 articles of Tourism Code were declared unconstitutional. This repeal has practically undermined the attempt to provide a unified text through which homogenize some regional regulations, whose differences prevent the tourist from having transparent and reliable information. For example, the removal of the block of articles aimed at ensuring uniformity among the regions with regard to definition and to classification of different typologies of hospitality is questionable. Particularly, the abrogated articles established procedures for the national application of minimum standards and for a nationwide rating system. So Italy missed the opportunity to have one national accommodation rating scheme (instead of twenty regional ones). This failure is partly attributable to the central government, which drafted the code without consulting the regions.

To guarantee an equal distribution of touristic benefits across most communities, national policies should involve and coordinate regional levels, and bridge the gap, in terms of touristic attraction, that afflicts the southern regions (through material and immaterial investment), increasing public-private partnerships. Indeed, in times of scarce public resources, when not all problems can be solved by simply allocating a larger share of public funds, the private contribution is indispensable, but needs incentive policies, for example in the form of tax relief. Furthermore, it should not be overlooked that the Italian structure comprises a high share of tourism micro-businesses. This characteristic affects the tourism pattern, requiring adequate support in terms of public policies.

To face this difficult situation only on January 18, 2013 a Strategic Plan for Tourism was drawn up in Italy for the very first time (Angeloni, 2013b). The Strategic plan for the development of tourism, called "Italia 2020", indicates 7 very precise guide lines: governance; re-launching the Italian National Tourist Agency (ENIT); modernising tourist services; re-qualifying accommodation facilities; infrastructure and transport; professional development; and attracting foreign investment.

### 4.3 – Industry

Tourism expansion is highly dependent on public investments, which have proved to be woefully inadequate without private investment and market mechanism to respond to changing consumer needs and wants (Kotler, Bowen and Makens, 2010). In Italy, the direct contribution of Travel & Tourism to GDP has been estimated by the World Travel & Tourism Council (2012) as standing at US\$ 71.6 billion (3.3% of total GDP) in 2011, while the total contribution of Travel & Tourism to GDP, including its wider economic impacts, is thought to stand at US\$ 189.5 billion (8.6% of GDP). Italians employed directly in the tourism industry number 868,500 (3.8% of total employment). However, if all effects (direct, indirect and induced) are included, the total contribution of Travel & Tourism to employment rises to 2,231,500 units (9.7% of total employment).

As shown in section 4.1, the Italian tourism industry is characterized by a small dimension of businesses.

Unlike some commonly-held beliefs, small size is not an Italian anomaly and it is unfair to consider it as a source of problems for the tourism sector. Indeed, small size can have advantages, as well as drawbacks (Getz, Carlsen and Morrison, 2004; Shaw and Williams, 2010; Thomas, 2004). On the negative side, SMTEs (small and medium-sized tourism enterprises) show several limits: businesses run according to family principles rather than managerial criteria, difficult access to credit, low bargaining power with suppliers, difficulty in achieving economies of scale and limited productivity in working processes, lack of skilled employees and difficulties in attracting high-profile human resources, modest knowledge of foreign languages, lack of ability in using technology, lack of strategic marketing skills, little willingness to obtain certified quality (Bastakis, Buhalis and Butler, 2004; Riley, Ladkin and Szivas, 2002). Despite the presence of these objective limits, it would be simplistic to infer that low competitiveness is the result of small size. A small hotel, better than a large one, is able to offer tailor-made services and to establish a personal relationship with guests (Buhalis and Murphy, 2009). Small businesses are the secret of the Italian success, because they are the ones that guarantee the authenticity and the identity of the sites (Dall'Ara, 2010). The widespread presence of small accommodation around the country is a historical peculiarity, traditionally highly valued by the tourists, because it allows them to experience the Italian way of life and 'live' the culture of the places. So, the high proportion of small business must be considered the backbone of the Italian tourism system and a very strategic strength.

The real critical issue for SMTEs is not the size factor, but the strategic and organizational isolation in

which these firms operate. Many Italian enterprises (food suppliers, other services providers) do not always see themselves as parts of the tourism system. Cooperation is an obligatory path to improve business efficiency, since enterprises can benefit from economies of scale and have greater bargaining power in trade channels. In addition, it is necessary to develop solutions that allow SMTEs businesses easier access to credit, also to renew or upgrade their buildings (as less than 10% of the hotels are new) or to employ new technologies, indispensable tool to connect more effectively to final consumers.

Tourism industry is supported by associations well organized (such as Confesercenti, Confcommercio, Unioncamere, Federviaggio, Federalberghi, Astoi, Federturismo, Fiavet, Fitus, Fipe etc.) but most of these organizations do not promote incisively ecological programs or sustainable approaches.

### 4.4 – Education system

Because tourism is a labor-intensive industry, human resources are central factors in achieving or maintaining competitiveness. Unqualified staff impacts unfavourably on the level of labor productivity and quality of service, and leads to general inefficiencies. As argued by destination competitiveness theories, the presence of historical and artistic attractions is a necessary but insufficient condition for a destination's effectiveness and efficiency.

To ensure that tourism generates success and benefits, it must be planned, organized, led and controlled (Gunn and Var, 2002; Hall, 2008). Tourism management deals with these aspects and indicates how to harness different resources (workforce, capital, finance, technology, knowledge) to achieve a competitive advantage, also avoiding negative impacts on the social and environmental context (Pearce, 1989). As clearly explained by Page (2011), the profitability of tourism organizations is increasingly being linked to the ability to: innovate; adapt to change and crises; manage, recruit and retain high-quality human resources; develop competitive business ventures; react to public policy, and influence its formulation and implementation; think creatively and globally; understand how tourism trends affect one's day-to-day business operations. To achieve these skills, university education is a crucial support, because "very often, new knowledge is transferred via university and vocational teaching, and it will be future generations of staff who carry out practical innovations based on what they learned in the classroom" (Hjalager, 2002: 468).

Probably, the waste of Italian heritage (caused by degradation of artistic resources and excessive usage of natural resources) and the difficulties in transforming this enviable stock into bigger economic flows (attracting more people and investment) are really due

to lack of a culture of tourism management (De Carlo, 2008: 53).

In Italy, secondary education (from 14-19 years old) offers a choice between the high schools, the technical institute, and vocational training. Regarding 2011-2012 the National Tourism Observatory reported 378 autonomous technical institutes for tourism and 370 vocational training institutes for restaurant and hotel management. According to the Committee for the Enhancement of Education and Training in Tourism, set up in 2009, “secondary education in tourism is rather heterogeneous in terms of content and not solid enough in terms of teaching specific tourism competencies. The skills needed by the enterprises are not well taught, for example the control of foreign languages is weak or the methodologies taught at school are outdated” (OECD, 2011: 139-140). Secondary schools respond to the primary needs of the tourism industry for services skills. However, higher education (colleges and universities) is critical to improve the competitiveness of the Italian tourism industry which needs better educated people to meet the new challenges of the globalised tourism economy. “Higher education institutions bear a profound, moral responsibility to increase the awareness, knowledge, skills, and values needed to create a just and sustainable future. Higher education plays a critical but often overlooked role in making this vision a reality. It prepares most of the professionals who develop, lead, manage, teach, work in, and influence society’s institutions ... Higher education has unique academic freedom and the critical mass and diversity of skills to develop new ideas, to comment on society and its challenges, and to engage in bold experimentation in sustainable living” (Cortese, 2003: 17).

Since the success of a destination increasingly depends on ICT-based innovation (Stamboulis and Skayannis, 2003), especially today it is important to leverage the intellectual assets of an organization to enhance competitiveness (Cooper, 2006). But, paradoxically, after a peak in the number of degree courses in 2006-2007, in recent years Italian universities have gradually reduced them, due to the recent ministerial directives, but also to a decline in demand. For the academic year 2011-2012, Italian universities offered 62 degree courses distributed as follows: 23 three-year degree courses belonging to degree class ‘Science of Tourism’; 16 specialist degree courses belonging to degree class ‘Design and Management of Tourism Systems’; 14 three-year and nine specialist degree courses in tourism belonging to other degree classes. In addition, in Italy there are currently 10 master degrees in tourism.

The decreasing trend of students enrolled and qualified to purely or prevalently touristic degree courses are evidenced respectively by Tables 2 and 3, which detail information for annuities and by type of degree (three-year degree or specialist degree). For the sake of completeness, the two tables below provide for each year also the data of the total ‘enrolled’ and ‘graduates’ in Italian universities (MIUR, Ministry of Education, University and Research, 2011). The figures of Table 2 clearly show that, over the 6-year period examined, the students enrolled on purely or prevalently tourist ‘three-year’ degree courses account on average for just 2% of total enrolments on three-year degree courses, while the students enrolled on purely or prevalently touristic ‘specialist’ degree courses are, on average, 1% of total enrolments on specialist degree courses.

Table 2 – *Students enrolled to first year by typology of degree courses and by academic year*

Academic Year	Enrolled to first year of (purely or prevalently) tourist degree courses		Enrolled to first year of all degree courses		Percentage of enrolled to first year of tourist degree courses	
	Three year degree (a)	Specialist degree (b)	Three year degree (c)	Specialist degree (d)	Three year degree (a/c)	Specialist degree (b/d)
2005-2006	6,908	614	323,930	89,227	2.13%	0.69%
2006-2007	6,535	852	308,185	98,459	2.12%	0.87%
2007-2008	6,084	950	307,586	101,975	1.98%	0.93%
2008-2009	5,641	1,288	294,933	100,842	1.91%	1.28%
2009-2010	4,832	1,139	294,724	101,558	1.64%	1.12%
2010-2011	4,313	1,071	288,488	98,977	1.50%	1.08%

Source: MIUR Statistical Office - Survey on University Education (2011)

Table 3 – *Graduates by typology of degree courses and by calendar year*

Calendar Year	Graduates on tourist (purely or prevalently) degree courses		Graduates on all courses		Percentage of graduates on tourist degree courses	
	Three year degree (a)	Specialist degree (b)	Three year degree (c)	Specialist degree (d)	Three year degree (a/c)	Specialist degree (b/d)
2005	3,291	58	138,307	10,454	2.38%	0.55%
2006	3,575	168	161,445	29,620	2.21%	0.57%
2007	3,563	263	173,671	50,538	2.05%	0.52%
2008	3,717	436	173,054	65,411	2.15%	0.67%
2009	3,596	564	171,208	74,102	2.10%	0.76%
2010	3,582	752	165,263	81,018	2.17%	0.93%

Source: MIUR Statistical Office - Survey on University Education (2011)

All aforesaid figures are frightfully inadequate to cover qualitatively and quantitatively the needs of tourism.

Another problem of Italian universities is that contents of touristic courses are often built on the model of large groups and large enterprises, while, as previously mentioned, the Italian tourism system is mainly made up of small and medium enterprises. But small hotels are not simply smaller versions of larger hospitality companies. Moreover, many university courses have the same name but with different contents, or a different name but with the same contents. This creates confusion among students. Italian universities should strengthen the multidisciplinary approach of the courses, the market orientation, the professionalization of activities (e.g. practical experiences and training), the adaptation to local specific requirements and the alignment with business needs, by involving more tourism industry in the drawing up of the syllabus. Furthermore, on the demand side, interventions are necessary to stimulate young people's interest; although tourism is one of the few sectors that offers good job opportunities, the number of enrolments is limited.

Tourism is a relatively young field of study among academics in most advanced developed countries. Despite a remarkable growth in tourism education and knowledge over the last twenty to thirty years, the study of tourism is going through something of a sort of identity crisis. According to Sharpley (2011) the study of tourism suffers from a lack of legitimization and credibility both 'internally' (within the wider academic community) and 'externally' (among the media and even the general public). Consequently, the growth of the provision of tourism in programmes has declined (or, in some countries, has stopped), commensurate with a flattening out of the demand for such programmes. Sharpley suggests a refocusing of the study of tourism (in terms of con-

tent and process), by producing knowledgeable, skilled, creative, critical and reflective graduates, who now instead have a passive approach. Jamal and Robinson (2009) demand a more intercultural approach and more clever relationships between research communities and policy makers. Also Walmsley and Rhodri (2009) consider urgent to rethink and adapt the educational supply.

#### 4.5 – Demand

The competitiveness of a destination is also related to subjective factors, i.e. to the perception that visitors have of the place in terms of pleasantness, comfort of the accommodation, sense of safety, courtesy in welcoming, wealth of artistic and cultural heritage etc. In fact, in the face of the same object, "different observers may observe different systems and the same system can be described in some different forms" (Mella, 1997: 27-28).

Italy is perceived all over the world as a multi-opportunity leading destination offering the following basic tourism products: history, art, culture and religion; seaside tourism; mountain tourism; hot springs and spas (Formica and Uysal, 1996). In tourism the numbers of arrivals and presences are considered good indicators of the competitiveness of a destination, because they express the ability to attract the demand. According to the Italian National Institute of Statistics (Istituto Nazionale di Statistica, Istat), tourist arrivals in Italy in 2010 were 98,813,845, a 3.5% increase versus 2009. The figure is the result of 55,019,507 domestic arrivals and 43,794,338 international arrivals. The latter figure is remarkable, because from 1980 to 2010 the number of arrivals of foreign tourists in Italy has almost doubled, from 22.1 to 43.7 million (+97%). Trends in recent years show a significant foreign presence in Italian destination, coming particularly from the so-called traditional

countries. In 2010 Germany, the United States, France and the United Kingdom together accounted for 43% of international arrivals.

In 2010, domestic and inbound tourists spent about 375 million nights in collective accommodation: 210 million are the nights spent by domestic tourists and 165 million those spent by non-resident tourists.

A breakdown of the nights by type of tourism is given by Figure 2. Compared to 2009, there was an increase by 1.3%.

The growth in nights spent was partly curbed by the decreased average length of stay in accommodation, which resulted in a total of 3.8 nights (also slightly below 2009, when the figure stood at 3.88 nights).

This new decrease confirms the trend to shorter stays that has characterized Italian destination for at least a decade.

The demand analysis allows the discussion of two structural and specific weaknesses of Italian tourism: the scarce development of tourism in the South of the country and the strong seasonality. Despite its historical beauties, the South offers a poorly diversified supply of products, mainly in the form of seaside resorts chosen mostly by Italians.

Many local heritage resources (environmental and cultural) are underutilized or indeed wasted in the South. Some Italian destinations are totally overrun by tourists due to their popularity, while other areas remain virtually unknown.

Indeed, there is a strong geographical concentration of tourists in some regions. In 2010, 71.5% of foreign attendances were recorded in five regions of North, to the detriment of the South. In 2010 only

18% of total tourists visited the South. Foreign arrivals to the South were only 11.3%.

These figures are very worrying, especially considering that the South includes three quarters of the Italian coast.

Often, especially in the South, a unique work of art ends up being inaccessible or unattractive because the location is difficult to reach, or served by poor infrastructures and inadequate accommodation services, or simply because of a lack of promotion. The reasons for the development failure of tourism in the South are well known.

The lack of infrastructure and transport services, as well as institutional inefficiencies and problems of public policy have given the South a negative image.

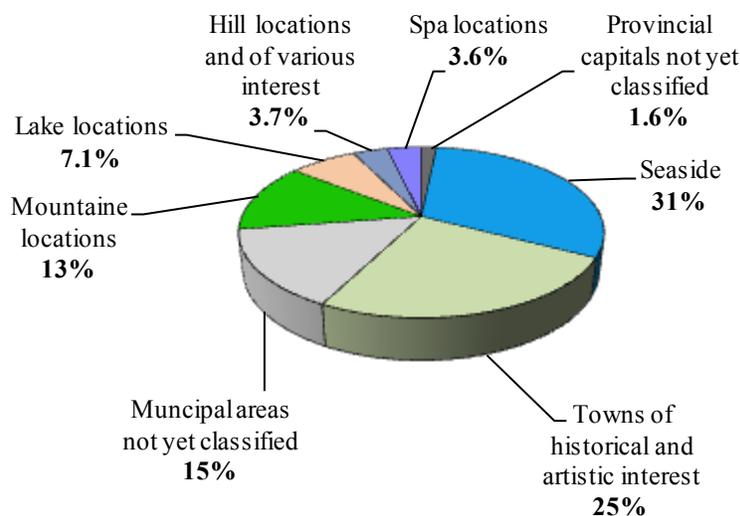
Another chronic problem of Italian tourism is the strong seasonality.

The largest number of tourists is concentrated over the summer months, especially in July-August. The phenomenon increased between 2000 and 2010: the concentration of tourists in the two months rose from 31% in 2000 to almost 40% in 2010.

Moreover, the concentration ratio reaches 61.4% in the period from June to September. The high seasonality is tackled with labor turnover or irregular workers, but this entails forgoing qualified and experienced personnel.

Despite these limitations, Italy seems to be the first country that foreign tourists wish to visit. This judgement has emerged by interviewing 3,600 opinion-formers about their perceptions around 118 countries. Italy is the strongest country brand for 'tourism' and also for 'heritage and culture' (FutureBrand, 2012).

Figure 2 – *Breakdown of overnight stays in 2010 by type of tourism*



Source: Istat (2011)

#### 4.6 – *Situational conditions*

If businesses do not have the innovative capacity to suit their social, physical and economic environment, the growth and survival of tourism are threatened (Hall and Williams, 2008). One aspect that Italian destination cannot underestimate is the increasingly ‘ageing population’, the result of increasing life expectancy and declining fertility. In the richest areas of the world such as North America and Western Europe, the population is aging rapidly. By 2020, it is estimated that approximately 35% of the population will be over 65, and about half will be 50 and older (Gomez-Mejia and Balkin, 2011: 222). Such a demographic composition will obviously have an impact on tourism markets. Senior tourists generally are customers with high disposable incomes, with preferences for cultural destinations and with specific needs, careful to choose easily accessible destinations and a good standard of comfort/luxury in accommodation. As a less seasonal market, senior tourists will be a segment that each country has an interest to capture and keep. Also Italian destination should better accept the challenge of accessible tourism which “can economically and humanly enrich the industry, since inclusive tourism by definition means to pursue the well-being of all” (Angeloni, 2013a: 25).

‘Environmental sustainability’ reasons require considering the impact of global warming on future tourism trends, as well as the impact of tourism on global warming (Chapman, 2007; Peeters and Dubois, 2010; Sharpley, 2009). In the future decades, increased temperatures will probably reduce the attractiveness of some European and African destinations, due to too high temperatures and an arid climate. In the same way, global warming will damage the destinations traditionally associated with winter sports (Page and Connell, 2006). In these scenarios, Italian tourism will undoubtedly be penalized. Already for some time, experts and scientists have indicated the need to manage tourism, avoiding its dark side (Holloway, 2002), i.e. negative impacts on economic, socio-cultural and environmental changes (Mathieson and Wall, 1982).

To minimize environmental impact, tourism business has to: endeavor the use of renewable resources; optimize logistics and distribution, use materials and resources more productively (e.g. recycling); encourage the consumption of local food products; invest in low impact building; increase the lifespan of products; favor slow consumption; encourage rail travel, as lines can be electrified (Dickinson and Lumsdon, 2010). To reduce energy insecurity, enterprises should behave not only in an energy-efficiency way, but also adopt new attitudes, measurements and ways of thinking about profit, success and sharehold-

er value (Hall, 2009; Monbiot, 2006). The active encouragement of good practices is not a choice, but a duty, in a world where tourists themselves are more and more ethically inclined (Pearce, Filep and Glenn, 2010). A cautious and sustainable approach suggests both foregoing the pursuit of higher figures with a supply at low cost, that encourages the dangerous use of low-cost labor (Baum, 2007). To mitigate the negative impact of tourism, all world governments are required to drive development, placing greater limits, rules and control on tourism. In other words, it is better to go in for proactive planning (avoiding the onset of problems) than reactive planning (coping with existing problems). Daly (2008) suggests a steady-state economy, i.e. a more balanced approach that allows qualitative development but stops quantitative growth, to the detriment of natural and human capital.

‘Technology’ is another condition that Italy cannot neglect, because progress in tourism is inextricably linked to technological challenges (Geoffrey and Mathieson, 2006). “A country’s competitive position is decided by how its tourism destinations optimize their website in terms of information and easy booking and how it integrates its regional offer at a national level” (Smeral, 2008: 48). In terms of Information and Communication Technology (ICT), there is still a lot to do to make Italy’s historical, artistic and natural resources visible and accessible. The web is not exploited to the full to inform the world about the concentration of beauty Italy enjoys. A recent study, aimed to assess the main quality features of the official tourism web sites, reveals that “only 14 percent show an acceptable use of Web 2.0 functionalities” (Baggio, Mottironi and Antonioli Corigliano, 2011: 110). ICT instruments should be improved for recording and cataloguing works of art, or digitalizing libraries. Geographic or image recognition software can provide information about cities, sites and monuments, but the availability of suitable data is still limited (see for example the lists in [wiki.gfoss.it](http://wiki.gfoss.it), a repository managed by the Italian chapter of the Open Source Geospatial Foundation). In addition, as noted by Milano, Baggio and Piattelli (2011), Italian operators do not yet exploit the great potential of on-line social networks (Facebook, Twitter) to attract people onto tourism websites, like Travel 2.0, natural outcome of Web 2.0. Similarly, although tourism products represent the largest category purchased online, in Italy the *e-tourism* market is still underdeveloped. The problem is not demand, which is made up of many sophisticated users who want to exploit the potential of the network, but supply, since it is not possible to meet the demand coming from Italian Internet users, many of which are directed to sites of foreign suppliers. To build destination identity and quality, the branding strategies require a strong involvement of all stakeholders, who are called upon a more effec-

tive use of ICT (Leung and Law, 2011). Especially in a country like Italy, where very small operators have insufficient capacity and resources to meet market challenges, ICT instruments are powerful tools to facilitate communication, to create partnerships, to improve the image of the individuals and the whole destination (Paraskevas and Buhalis, 2002).

Regarding 'economic' conditions, apart from the overall crisis, the business environment within which Italian touristic organizations (private and public) operate is very unfavourable. A general problem is represented by bureaucracy, one of the major impediments to all business initiatives, including tourism. The complexity of the Italian regulatory framework is not conducive to business activities. Administrative, judicial and fiscal bonds deter foreign direct investments. The time and cost needed to set up a business, the lack of transparency of rules, the inefficiency of public administration, the enormous length of processes, but also corruption scandals move foreign investors away from Italy and, most of all, prevent Italian businesses from a healthy and regular development. In addition, the tourism competitiveness is damaged by widespread tax evasion. In 2008 the tax evasion accounted approximately for 18% of Italian GDP. According to the Italian National Institute of Statistics, the worst affected activity is tourism, where evasion is over 50%, while it is estimated that the level of evasion in agriculture is 30%, 21% in the services sector and 12% in the manufacturing industry (Istat, 2011: 7). This is a very serious problem, both because it causes an underestimation of tourism turnover, and because it leads to unfair competition between entrepreneurs who, like tax dodgers, fail to pay taxes and social security contributions, and consequently have a structure of costs more reduced. In order to compensate this revenue loss and to ensure coverage of his expenses, Italian administrations are forced to apply very high levels of taxation. In fact, Italy is one of the countries with the highest tax burden in the world.

Also due to the negative aspects mentioned above, it is not amazing that Italy is frequently accused of being a very expensive country to visit, with a high quality-to-price ratio, particularly if compared to other countries. According to the World Economic Forum (2011: 455), Italian destination ranks 125 on 139 countries for "purchasing power parity", one of factors used to measure prices competitiveness in the T&T industry.

This aspect is the result of a number of elements: the application of VAT (value added tax) on tourism services at rates of 10 or 21%; the new tax for mooring water craft over 10 meters; the recent enforcement of a tourists' tax (at the discretion of the municipalities); the high costs of labor and utilities (such as electricity, gas and petrol); and the extreme seasonality, which requires operators to charge prices in peak

season to compensate them for the lack of revenue in the remaining months of the year. However this behavior of Italian operators is extremely dangerous due to economic globalization.

Economic globalization involves that tourists have more choices for travelling, and above all more choices for travelling at the lowest prices. The high elasticity of tourism demand to price cannot be underestimated by the Italian destination, because the globalization has improved the level of knowledge and information on the demand side and has intensified the level of competition on the supply side (Smeral, 1998). Especially in the seaside segment "destinations such as Turkey, Cyprus and Greece with their cheaper labor and production costs have an advantage over Spain, Italy and France" (Kozak and Baloglu, 2011: 133).

In Porter's language (1980), when the cost leadership is not a realistic objective for gaining competitiveness, a destination must aim at two other organizational strategies: differentiation strategy or focus strategy. In order to profit by strategic alternatives, Italy should focus on cultural tourism. Given that the globalization poses a risk of greater cultural standardization, it is even more crucial for a country to protect and exploit its own identity, which is a key factor to gain competitiveness and reduce phenomenon of seasonality.

## 5 – Conclusion

This research was aimed to explain the current positioning of Italian destination, to identify critical areas of intervention and possible actions to overcome the current problems and to valorize the idle capacity. The investigation here presented developed and integrated the model of Dwyer and Kim (2003), agreeing that no universal set of items exists (Enright and Newton, 2004).

Results, highlighted by the model used, showed a discrepancy between national government policies on one part and resources potential, industry expectations, demand needs and situational trends on the other.

As outlined above, the Italian tourism system suffers from a number of weaknesses: a lack of integration at level of governance, laws, statistics; disparities in development between the North and the South, with regions of the South appearing poorer in terms of transport infrastructures and quality of services; a fragmented promotion of Italian tourism attractions; a gap between the needs of the tourism industry and the training offered by tourism education, which is still unable to provide students with the right skills.

Therefore, the paper suggests the importance of a novel approach, based on integrated design of the destination at national level.

A more incisive and far-sighted central guidance was suggested in order to move on from a fragmentary tourism development to sustainable development of Italy as a unitary destination.

Particularly, the following seem the major challenges: to put at the centre of political agenda the development of tourism; to entrust the central government the right/duty of bringing about a unified regulatory framework and shared governance; to plan an efficient and effective use of resources; to bridge the quality and quantity gap in education/training system to meet need of tourism industry and sophisticated demand; to increase public investments, as prerequisite to stimulate private investments and innovation. Moreover, to protect and enhance cultural resources, the government has to change attitudes, moving from sponsorship logic to partnership approach, asking private sector to become partner, and not just financial backer, of projects of which share long-term economic and social goals.

Findings of this study also underlined that education investment is a critical factor to obtain competitiveness and the ultimate goal ('socio-economic prosperity') quoted by Dwyer and Kim. Furthermore the study, after noting that models of destination competitiveness did not hold in due consideration the education system on tourism, attempted to fill this gap making this factor more explicit, as determinant for future destination competitiveness.

Therefore, the paper offered both a practical and a theoretical contribution. It provided the stimulus to make the Italian tourism system more efficient, extracting some useful information and recommendations to help policy makers and other interested stakeholders to improve Italian destination competitiveness, and it offered the opportunity of enhancing current knowledge in the context of destination competitiveness, identifying areas for further research. Particularly it is important to verify whether the implementation of the recent strategic plan is useful to counter Italy's loss of competitiveness in the tourist industry and to re-conquer market leadership. As well as it is important to verify if the new and proper grouping of cultural heritage and tourism under one Ministry is sufficient to encourage and enable a recovery of the centrality of tourism in national policies.

Of course, both directions of investigation could be further refined and acknowledged. Regarding practical dimension, the analysis could be improved by empirical studies, seeking better and wider quantitative measures and indicators for rating Italian competitiveness. Regarding the theoretical dimension, the model could be evaluated and deepened by monitoring the significant relationship between destination competitiveness and tourism education system over time as well as in different spaces. The dynamic effect of education system on destination competitive-

ness should be explored empirically through special indexes. If the management of a destination is in need of explaining past success or failure, or of anticipating future prospects, data on the educational system cannot be ignored.

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