Policy Brief Policy Brief for Decision-Makers

Securing Long-Term Employment and Revenue in Tourism

Moving Beyond Crisis Management: Structural Choices for Regional Tourism Economies

Guiding Question

How can we secure long-term employment and revenue in the tourism sector – and what structural decisions do we need to make now to move beyond merely managing crises?

At a Glance

Tourism SMEs are essential for regional economies.
They generate employment, sustain local value chains, and contribute significantly to regional attractiveness.

Recurring crises reveal structural vulnerabilities.
Climate change, labour shortages, rising energy costs, and economic volatility increasingly challenge tourism businesses.

Resilience must become a strategic policy objective.
Regions investing in digitalisation, sustainability, and coordinated governance frameworks are better able to stabilise employment and protect regional value creation.

Why This Matters Now

Tourism is one of the most important economic sectors in many European regions. Particularly in coastal, rural, and structurally transforming areas, tourism SMEs form the backbone of local economies.

They contribute to:

- employment and local income
- regional supply chains and services
- municipal revenues
- the attractiveness and competitiveness of destinations.

However, the sector is facing growing structural pressures:

- climate change and extreme weather events
- rising energy and operating costs
- labour shortages and demographic change
- volatile demand and changing visitor expectations.

Small tourism businesses are especially vulnerable because they often operate with limited financial reserves and administrative capacity.

Short-term emergency support alone cannot secure the long-term stability of tourism economies. Regions therefore face a strategic choice: continue reacting to crises or invest in structural resilience.

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Key Insight

Tourism resilience is not only a business challenge – it is a regional policy responsibility.

What Makes Tourism SMEs Resilient?

The INSPIRES project identifies four interconnected dimensions of resilience.

Economic resilience
Diversified income streams and improved financial planning reduce vulnerability to sudden market disruptions.

Environmental resilience
Energy efficiency, sustainable resource use, and climate adaptation measures reduce long-term risks.

Organisational resilience
Digital tools, workforce skills, and strategic management capacity help businesses adapt to changing market conditions.

Social resilience
Strong regional networks, cooperation with local partners, and workforce retention strategies stabilise tourism ecosystems.

Two Structural Drivers of Tourism Resilience

Digitalisation

Digital technologies allow tourism businesses and destinations to:

- improve booking systems and marketing
- analyse visitor data and anticipate demand
- optimise visitor flows across destinations
- strengthen cooperation within tourism ecosystems.

Policy implication

Regional authorities can enable transformation by investing in **shared digital tourism infrastructure**, including destination data platforms, digital visitor information systems, and smart mobility services.

Sustainability

Sustainability measures increasingly strengthen long-term economic stability in tourism.

Examples include:

- investments in energy and resource efficiency
- circular economy approaches and local sourcing
- regenerative and nature-based tourism offers
- sustainability certification schemes.

These practices reduce operating costs, increase local acceptance, and improve long-term competitiveness.

From Crisis Management to Preventive Resilience

Tourism policy has historically focused on **short-term crisis response**.

INSPIRES highlights the need to shift towards **preventive resilience-building**, where policies strengthen the long-term adaptability of tourism systems before crises occur.

This allows regions to:

- stabilise employment in tourism and related sectors
- protect regional value creation
- reduce long-term public expenditure on crisis interventions.

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Five Strategic Actions for Policy Makers

1. **Embed resilience in tourism strategies**
   Integrate tourism resilience into economic development and climate policies.
2. **Strengthen advisory and knowledge networks**
   Provide mentoring, peer learning, and accessible advisory services for SMEs.
3. **Invest in shared digital tourism infrastructure**
   Develop smart tourism ecosystems and destination data platforms.
4. **Align funding instruments**
   Support integrated investments combining sustainability, digitalisation, and skills.
5. **Reduce administrative barriers for SMEs**
   Simplify access to funding programmes and support mechanisms.

Regional Implications

For regional governments and tourism authorities, the findings underline the importance of **coordinated tourism governance**.

By aligning regional tourism strategies with European priorities such as the **EU Transition Pathway for Tourism**, the **European Green Deal**, and digital transformation initiatives, regions can:

- strengthen the resilience of local tourism businesses
- improve access to European funding opportunities
- support sustainable destination development
- enhance long-term competitiveness.

Decision-Maker Takeaway

Regions that invest early in tourism resilience can:

- ✔ secure long-term employment
- ✔ stabilise regional revenue streams
- ✔ strengthen destination competitiveness
- ✔ reduce vulnerability to future crises.

Resilient tourism SMEs are therefore not only beneficiaries of policy – they are drivers of regional economic stability and Europe's green and digital transition.

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