

THE EUROPEAN PILGRIMAGE ROUTES AS ECONOMIC DRIVER. THE IMPACT OF THE FRANCIGENA IN TUSCANY

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Summary

Cultural and, in general, experiential tourism is nowadays a very promising market for areas so far remained on the margins of economic development, but rich in architectural and natural heritage. The initiative of the European Cultural Routes is therefore particularly interesting for a region like Tuscany, worldwide famous for the beauty and integrity of its smaller towns and rural landscapes.

Public investments play of course a central role in these strategies of territorial development, and require increasingly sophisticated techniques for the assessment of economic, social and environmental impacts. When direct surveys are not possible, however, the use of existing data, appropriately processed referring to the area of interest, may be a viable alternative.

The work presents the results of the application of three different estimating methods at the Tuscan case, based on geographic approach. The results are of course different, but they all confirm the widespread expectations about the leverage effect exerted by the cultural and landscape heritage on the local economic development.

Keywords: cultural and landscape heritage as economic driver, economic impact assessment of public policies

Introduction

Cultural and experiential tourism is considered a growing phenomenon, thanks to the evolution of both demand and supply-side characteristics. On the first side, the most important factors are educational higher levels, more widespread knowledge of foreign languages and cultures and greater attention the quality of holiday experiences, while on the second one the key drivers are lower transport costs and the easier access to information. The greater propensity of new tourists to physically and intellectually active travels opens new growth opportunities for some less exploited destinations, especially for those which combine the quality of the local natural and historical heritage with services able to ensure high levels of satisfaction (quality food, wine and accommodation, genuine human relationships, easy access for independent travellers, etc.).

The described trend of tourism has inevitably influenced also the initiative of the European Cultural Routes promoted by the Council of Europe since 1987. At the beginning, the main aim of the identification and promotion of international routes was the reinforcement of the European identity, while more recently, after the inclusion of tourism among the objectives of the Community policy (Treaty of Lisbon, 2009), the promotion of the less known cultural and natural heritage is primarily seen as an important development factor in marginal areas, a way to improve the local quality of life and to promote sustainable development. The growth of cultural tourism on less known routes is considered interesting for at least two different reasons, because it potentially affects less developed areas and because it takes place in a sustainable way, far from the impact of mass tourism.

Tuscany, thanks to the quality of its rural landscape and its small towns, can be considered the ideal territory where to promote wide cultural tourism. In this sense, the project of the Via Francigena, a route rich in attraction factors as art cities, medieval villages, monasteries and abbeys, rural landscapes, but also local foods and crafts implies the overcoming of the approach of purely religious tourism towards the broader concept of the experiential tourism.

Since the restoration and enhancement of the route implies important public investments, the monitoring and evaluating of their return is necessary. The intervention, however, is at its intermediate stage, where direct surveys are not recommended: the path has been completely restored and equipped, but the marketing campaign has not been realised yet, so the present impact of the Via Francigena on local tourism and general economic development is probably still partial. For this reason, in the present work three different methods of effects evaluation are proposed, all based on existing data, accurately processed considering territorial characteristics.

Public investments on the Francigena in Tuscany

The ancient pilgrimage Francigena way was introduced by the Council of Europe for the first time in 1994 and then in 2004 promoted to Major Cultural Route. Among many regions which insist on the path, Tuscany is considered an example of good practice for the ability to create a transregional network for investments and to orient interventions toward a multisectoral local development (nature tourism and sports, historical, cultural, religious, enhancement of food and wine) (Council of Europe, 2011).

In 2006, Tuscany was the leader of a transregional project for the reconstruction and enhancement of the path, while in 2009 it began the

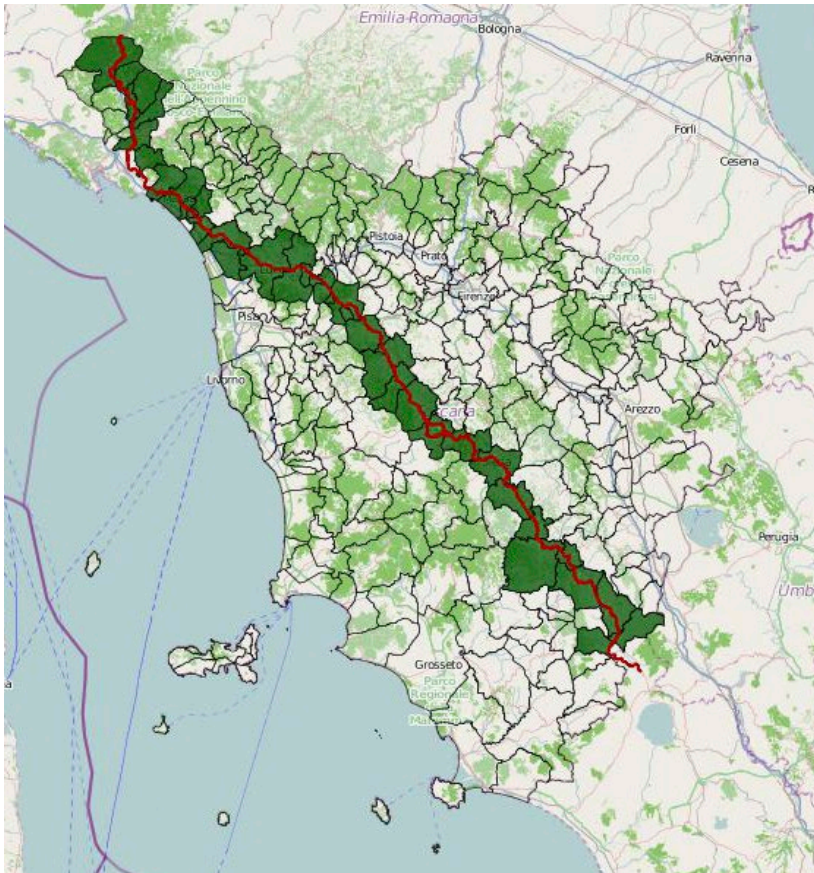


Figure 1. The Francigena Way in Tuscany. Source: IRPET processing on Region Tuscany data

recovery of the way, thanks to the activation of investments involving regional and local stakeholders. The most important financial plans are represented by the Masterplan approved in 2009 (Regional Council Deliberation no.1324/2009) and by the Operational Plan approved in 2011 (Regional Council Deliberation no.1078/2011). Both the financial plans use resources deriving from the FAS (Fund for Underdeveloped Areas), the instrument by which the State collects European and national resources to finance the regional policy for the economic and social balance.

The actual funding allocation occurred in 3 stages:

- 1) the projects included in the Masterplan, mainly of infrastructural nature (reconstruction of the path and signposting equipment), which date from 2009 to 2012;

- 2) the ones included in Phases I and II of the Operational Plan 2011, whose end was scheduled for February 2014;
- 3) the ones included in the Phase III of the Operational Plan 2011, approved only in the summer 2013, with the addition of a specific investment on the Wi-Fi network.

The amounts of the different phases are represented in the table 2.

Table 2. The regional investments on the Francigena Way

FINANCIAL INSTRUMENT/ INTERVENTION TYPE	COSTS (euro)	REGIONAL CONTRIBUTIONS (euro)
MASTERPLAN 2009 (Dec. 2012)	8,815,961	5,369,588
- Safety and Signs	1,000,000	1,000,000
- Path consolidation	3,312,314	1,987,388
- Path consolidation in Siena	395,904	300,000
- Tourism projects	1,986,069	853,196
- Cultural projects	2,121,674	1,229,004
OPERATIONAL PLAN 2011	15,150,460	12,903,048
Phase I (Febr. 2014)	5,138,541	5,138,541
Phase II (Febr. 2014)	4,491,419	3,435,208
Phase III	4,720,500	3,529,300
Wi-Fi network	800,000	800,000

Source: IRPET processing on Region Tuscany data (updated till March 2014)

At the moment of the present work, the realised investments amount to 18.4 million euro, of which 13.9 of regional funding and the remaining 4.5 of local authorities' ones. Considering also the resources of the Phase III and the intervention on the Wi-Fi network, the total investment will amount to 24 million euro. The investments are mainly infrastructural: 59% of the total 24 million Euros are aimed at the path consolidation and equipment, 20% is devoted to the restoration of the local architectural heritage, while 17% is used to increase the accommodation supply (Figure 3). The beginning of the marketing campaign is scheduled for Easter 2014.

The territories crossed by the Francigena in Tuscany

The Tuscan part of the Via Francigena crosses mainly hilly and mountainous areas, which traditionally have remained on the margins of the

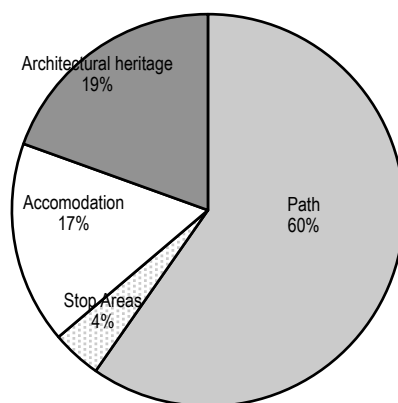


Figure 3. The total investments on the Francigena Way by type. Source: IRPET processing on Region Tuscany data (updated till March 2014)

industrial development and have experienced strong processes of depopulation and weakening of the productive structure. But there are exceptions too, represented by internationally known art cities like Lucca, San Gimignano and Siena, but also by densely populated urban and industrial areas. Therefore, the route promotion offers in general an excellent opportunity for local development, but in the process of estimating the economic impacts, it is necessary to separate traditional tourist destinations and places of settlements concentration from unexploited rural areas.

As shown in Table 4, only the North and South ends of the route cross hilly and mountainous sparsely populated areas, which have a long history of inhabitants' loss and a significant proportion of the elderly population. Also the productive structure of these areas, as measured by the ratio between workers and inhabitants, is weak, despite a local propensity to tourism development. The housing supply is greater than the number of families, but house prices are lower than the regional average.

The 37 Tuscan municipalities crossed by the Francigena are heterogeneous from the point of view of the tourist vocation too: we can recognize three main types. First, there are worldwide famous art cities such as Siena and Lucca and the smaller but not less famous San Gimignano (High Valdelsa), all three characterized by a well-developed tourist sector. There are also some coastal areas, characterized above all by seaside tourism (Massa, Carrara, Versilia). Finally, there are rural and mountain areas, less developed for tourism purposes, but often characterized by worthy landscape and historical and artistic heritage. For the latter category of areas the promotion of the Francigena can be an important driver of local development (Table 5).

Table 4. Characteristics of the territories crossed by the Francigena way from North to South.2011. Regional average = 100; shaded cells are more than 5% distance from the regional average

	% of the route length (Km)	% of the pop. on the route	Altitude (meters)	Pop. per Km ²	% change of pop. 1971-11	% elders (65+)	Workers per 100 inhab.	% tourist workers on total	Houses per 100 house-holds	House price (euro/m ²)	Main feature of the area
Lunigiana	17	6	119	36	-94	113	69	126	128	54	Rural
Massa - Carrara	6	22	82	378	69	97	86	109	101	99	Tourist
Versilia	7	14	32	187	125	96	88	122	120	132	Tourist
Lucca	10	24	19	192	102	96	113	82	91	91	Tourist
Low Valdarno	5	8	52	155	404	89	127	43	92	70	Resid.
Empoli	4	3	23	167	317	91	96	45	91	81	Resid.
Low Valdelsa	5	4	90	49	111	99	87	95	105	82	Resid.
High Valdelsa	11	4	146	60	499	89	87	129	100	98	Tourist
Siena	11	10	258	136	-221	113	141	122	96	154	Tourist
Crete Senesi	7	2	143	33	929	88	60	133	90	80	Rural
Val di Chiana	1	0	447	8	-583	130	75	182	111	64	Rural
Amiata - Orcia	17	2	499	12	-267	112	94	220	131	72	Rural
TUSCANY	100	100	100	100	100	100	100	100	100	100	-
TUSCANY Abs. Values	375	652,939	113	160	5.7%	23.9%	31.4%	8.2%	110.9%	2,531	-

Source: IRPET processing on ISTAT data

Table 5. Tourist features of the territories crossed by the Francigena by type.2012

	Rural and residen- tial areas (27)	Touristic Areas (10)
Tourists (million)	1.2	4.5
Tourists per Km2	528	4,906
Tourists per inhabitants	4.1	12.1
% Foreigners	53.7	3.7
% on Total Tourists in Tuscany	2.7	10.6
% Change of tourist nights spent 2000-2012	79.2	-1.2
Specialization in rural tourism	2.39	0
Specialization in thermal tourism	2,86	0
Specialization in art& business tourism	1.04	1.3
Specialization in luxury accommodation	3.90	0.77
Specialization in rural accommodation	2.97	0.65

Source: IRPET processing on ISTAT data

In the last decade these less exploited territories have experienced a higher growth trend (tourists increased by 79% compared to 15.7% at regional level), but they seem to still have room for expansion, especially in attracting both an elitist demand for quality rural tourism out of the small enclave of the “Chiantishire” and a new and heterogeneous demand (as for spending power too) interested in living the experience of the authentic social and natural environments. The local supply of accommodations significantly shows two peaks of specialization in luxury hotel (connected to spa services) and in rural guesthouse of different level.

The estimation of the economic impact

It is a well known fact that the promotion of cultural heritage can give a significant contribution to the economic development of the territories on which it insists. There are different techniques to quantify these effects and to distinguish them by categories (tourists, employments, incomes, house prices, tax revenues, demographic dynamics, etc.), as well as to separate the positive effects (increased employment and income) from the negative ones (congestion, waste production, consumption of scarce resources, rising prices, etc.), but specific surveys are usually used, at least to estimate the number of tourists directly related to the asset and their spending profile (Martini and Sisti, 2009). In this case, for reasons

of time and cost, but also because investments are still ongoing and a real promotional campaign of the route has not yet been made, the survey has been excluded. It was decided, instead, to introduce a geographic method, in order to use in a robust way the existing data.

The geographic approach is used in three different ways:

- in the first case, the impact of the Francigena project is analysed in terms of number of tourists and using a benchmarking and counterfactual approach; keeping in mind the main stages of the route's promotion till 2012, the tourist trend is compared in rural areas (intended as municipalities) crossed by the route (treatment group) and in rural areas not involved in it (control group);
- in the second case, a multiregional input-output model is used to quantify the impact on GDP and employment of two different categories of expenditure related to the Francigena, the regional investments on the route in 2009-2012 and the tourist spending in 2012. In this case, a geographical method is used to separate the tourists attracted by the Route from those present for other reasons;
- in the third case, finally, a forecasting approach is introduced and the observation of benchmark cases with similar general characteristics, is used to work out alternative scenarios for future development. In this case the analysis is limited to the evolution of the number of tourists.

4.1 The tourists' evolution in the rural and residential areas in 1994-2012: a counterfactual approach

A first way to highlight the effect of the Francigena promotion on the tourist appeal of the territories crossed by the route is the comparison of the evolution in tourists' number in the areas of interest and in comparable areas, used as a control group. In order to increase the comparability between the treatment and the control group, the most touristic areas crossed by the route are excluded from the comparison, the exercise is limited therefore to rural and residential areas, for which the Francigena can reasonable be the main tourist asset.

For reasons of data availability, the number of tourists is counted at municipal level without any consideration for the distance from the path. Regarding the time frame of reference, we consider the evolution from 1994, the year in which the Council of Europe proposed for the first time the Francigena as cultural route, until 2012, the latest year for which tourist data are available. In the considered period we find some important institutional and financial acts (Figure 6), but not the marketing campaign, which is planned for the Easter 2014.

As the figure 6 shows, until 2000 the treatment group has experienced a dynamic lower than that of the benchmark areas, but from 2000 on-

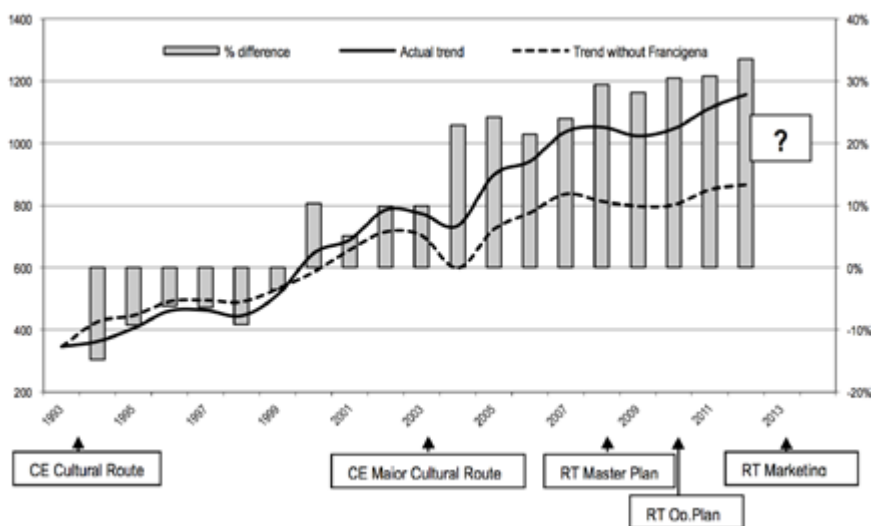


Figure 6. Tourists' evolution in rural areas compared to similar areas without Francigena. Source: IRPET processing on ISTAT data

wards the gap is positive and increasing, and in 2012 the presence of the Francigena allows an increase of 34% of tourists (290 thousand of nights spent) in comparison to the control group.

The economic impact of the 2009-2012 investments and of the georeferenced tourist spending in 2012

As we saw in the previous paragraph, from 2000 the municipalities crossed by Francigena registered a tourist growth larger than the benchmark ones. If we focus on the last three years (between 2009 and 2012), during which the Regional Government has invested 8.8 million Euros to empower the route, the difference in tourist dynamics between the municipalities crossed and the benchmark ones amounts to 64,200 tourists (cumulated in the three years); this difference can be considered the effect of the regional investments made in the period.

As an alternative, it is possible to consider the stock of the last disposable year (2012) and to use a geographic method to compute a specific amount of tourists directly related to the Francigena route. The computation has been made using three fundamental assumptions:

a) given the variety in terms of thickness and maturity of the tourism market of the areas crossed by the path, the ten most popular tourist areas have been separated from the others, which are mainly rural

and residential and where the Francigena effect is therefore more visible;

b) for rural and residential areas, considering that the Francigena way is a tourist route preferably dedicated to slow mobility (walking and cycling), a distance threshold was introduced, according to which only tourists staying in accommodations within 1 km from the path are surely attributable to it (other tourists are supposed depending from other attraction factors);

c) for tourist areas, the share of tourist attributable to the Francigena appeal, is calculated multiplying the ratio between the number of tourists and the length of the path (tourists per Km) observed in rural and residential areas by the length of path in tourist ones;

In summary, the tourists certainly attributable to the call of the Francigena are calculated in the following way:

$$FT = T \leq 1 Km_{NTA} + \frac{T \leq 1 Km_{NTA}}{FKm_{NTA}} * FKm_{TA}$$

Where FT means Francigena Tourists, T means Tourists, NTA means Non Tourist Areas, TA means Tourist Areas and FKm means Km of the Francigena route. According to the described method, overall tourists strictly related to the Francigena in 2012 amounted to 689,212, that is the 12.1% of the total tourists in areas crossed by the route and the 1.6% of the total tourists in Tuscany.

Table 7. Tourist accommodations by distance from the Francigena.2012

	Non tourist areas		Tourist areas	
	Total	of which non-hotel	Total	of which non-hotel
Within 1 km	331	287	805	648
Whole municipality	835	752	1,647	999
% on the municipal total	39.6	38.2	48.9	64.9

Source: IRPET processing on RT data

Once we have the amount of Regional investments made to empower the Francigena route from 2009 to 2012 (that correspond to 8.8 million of Euros), the estimated additional tourists due to this empowerment (that correspond to 64,200 units in the three years) and the stock of total tourist related to Francigena route in 2012 (that corresponds to 689,212 units) we can use an Input-Output model to calculate the lo-

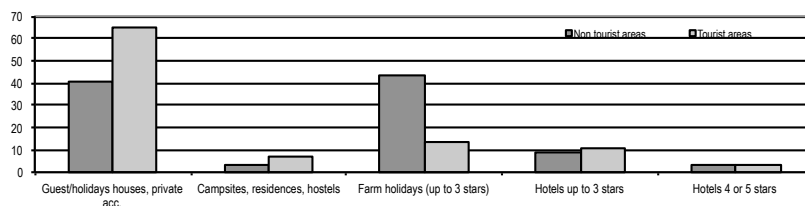


Figure 8. Tourist accommodations within 1 Km by type, 2012 (%). Source: IRPET processing on RT data

cal economic impact of the investments and the touristic expenditure into the area¹. The results in term of GDP and employment activation are shown in table 9.

The Regional investments enabled a GDP of 6.2 million Euros and employment of 118 Full Time Equivalents (FTE); the expenditures of the additional 64,200 tourists, increased in the area thanks to 2009–2012 investments, activated a GDP of 4.58 million Euros and an employment of 82 FTE; finally the expenditure of the all 689,212 that we consider related to Francigena route activated a GDP of 49.1 million Euros and 881 FTE, respectively, equal to 0.04% of the regional GDP and 0.05% of the regional FTE. Part of the economic activation is spread to the rest of Italy and abroad as a result of imports of goods and services made by these territories. It is worth noting that the total tourist spending in 2012 represents the major injection of resources in the economic system. As is obvious, it is not possible to determine whether and to what extent the increase in tourists and the consequent economic activation is fully additional or partially substitute, because the Francigena could have absorbed the tourism demand otherwise addressed to other rural areas.

Benchmark cases and forecast scenarios till 2022

The approach of this third method is a typical “what if” scenarios. In particular, it estimates the number of tourists related to the Francigena Tuscany will host in 2022, simulating 4 different performances:

- 1) a baseline scenario, which assumes as invariant the weight of the Francigena tourism on the regional total (number of tourists) at 2012 and

¹ Tourist expenditure relative to additional tourists due to 2009–2012 investments amounts to 6.36 million euro and the one relative to the 2012 stock amounts to 68.3 million euro, this computation has been made on the basis of visitors estimated (respectively 64,200 and 689,212 units) and the per capita expenditure detected by a previous IRPET surveys (Conti, 2010; Bacci, 2009).

Table 9. Impact on GDP and ULA of Regional investments (2009–2012) and tourist spending (2012). Million euros at current prices

	Regional Investments 2009–2012	Tourist spending due to 2009–2012 regional investments	Overall tourist spending in 2012
GDP	6.25	4.58	49.12
National Import	3.52	2.44	26.19
Foreign import	1.59	1.05	11.23
Total Resources	11.36	8.06	86.54
Induced consumptions	2.55	1.70	18.24
Household and tourism consumption	0.00	6.36	68.30
Public expenditures	0.00	0.00	0.00
Fixed investments	8.81	0.00	0.00
Stocks change	0.00	0.00	0.00
Regional Export	0.00	0.00	0.00
Foreign Export	0.00	0.00	0.00
Total Uses	11.36	8.06	86.54
Full Time Equivalent (FTE)	118	82	881

Source: IRPET estimates

- applies to the last one a forecasting scenario outlined by IRPET on the base of WTO foresight 2012–2022 (Conti, 2012);
- 2) a second scenario, based on the tourists trend experienced in the period 2001–2011 in the English region of Cotswold, which is similar to rural Tuscany in many aspects (world famous valuable country, rich in cultural heritage, relatively close to urbanised areas), but which is nowadays in its stage of maturity;
 - 3) a third scenario, based on the tourists trend recorded on the Camino de Santiago in the period 1999–2009, which is similar to the Tuscan case both for the type of tourist asset (international cultural route, based on the rediscovery of an ancient pilgrimage way) and for the characteristics of the territorial context (rural areas); it represents a case of international success, passed from about 3 thousand tourists in 1987 (when the Council of Europe proposed the route) to more than 190 thousand in 2012;
 - 4) a fourth scenario, based finally on the tourists trend recorded in the Chiantishire in the period 1993–2003, which is a rural part of Tusca-

ny, rich in valuable landscape, which experienced its successful phase in the 90's.

In the last three scenarios, the weight of the tourists related to the Francigena on the regional total is simulated, applying the dynamic experienced by the three benchmarks cases respectively to the region they belong to. More specifically, in the case of Cotswold the parameter used for the simulation is the evolution of its tourist weight on the region Gloucestershire, for the case of Santiago de Compostela the evolution of the “French Route” (the most popular) on the regions of Navarra, La Rioja, Castilla-Leon and Galicia, while for the case of the Chiantishire the evolution of the area respect to Tuscany.

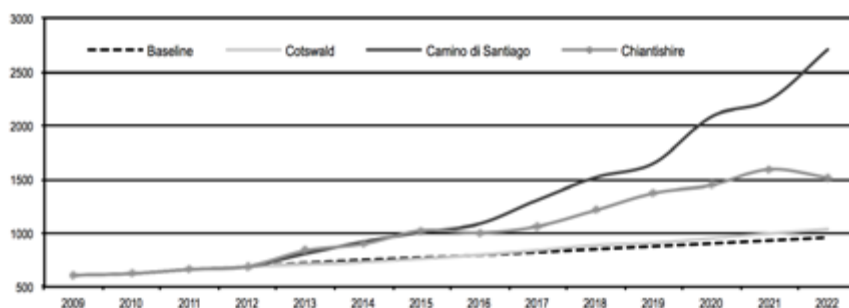


Figure 10. Tourists evolution on the Francigena according to 4 alternative scenarios to 2022 (thousands). Source: IRPET estimates

The results of the simulation exercise are shown in the figure 11. The four scenarios belong to three orders of magnitude. At lower level, as low growth trend, we have the baseline hypothesis and the Cotswold like dynamic, both giving an increase between 40% and 50% compared to current 690 thousand presences (2012). Then there is an intermediate scenario, represented by an evolution on the Chiantishire model during the '90s, in this case the expected tourists in 2022 are more than double those of today. Finally, there is the scenario that corresponds to the theoretical maximum increase in the tourists' presence following the striking evolution of the Santiago route. In this case, tourists quadruple from about 690,000 to 2.7 million in 2022. Of course, these scenarios do not consider possible constraints on the supply side. Anyway, the assumption appears to be reasonable given the low level of urbanisation and congestion which characterises the observed areas.

Conclusions

There are many expectations on the ability of cultural and experiential tourism to act as an important driver of economic growth, especially for rural areas and smaller towns with cultural heritage, remained on the margins of traditional industrial development. The interesting aspects of the specific driver are two: the kind of areas potentially affected by growth (those until now less developed) and the ways in which development can take place, more sustainable because they are less intensive and impactful in comparison to traditional mass tourism or to many manufacturing activities. This explains the attention of the Council of Europe to the identification of cultural routes and the provision of public funds for the restoration and promotion of them as a way to conciliate the consolidation of collective identity and future development. The Francigena route, in the wake of the previous success of the Camino de Santiago, is therefore an interesting case for both scholars and local and national policy makers. Furthermore, it is particularly interesting for a region like Tuscany, worldwide famous for its cultural heritage and landscape, in rural areas too.

In this phase of the valorisation programs, when many investments are still ongoing, while a real market campaign has not been activated yet, it is not easy to measure the actual economic impact of the route. At this intermediate stage, also for reasons of costs containment, it has been considered not appropriated to conduct a survey and it has been decided instead to use existing data, mixing geographic approach and program evaluation methods. The knowledge of the territorial assets, combined with some hypotheses about catchment areas and the georeferencing of accommodation facilities, besides a multiregional input-output model made it possible to measure the impact in three different ways: by a counterfactual approach on the less developed areas, by a georeferenced tourist spending and an input-output model, and finally by long-term scenarios based on the development experienced by benchmarks areas.

The three methods give obviously different results, but complementary and in any case positive, confirming the expectations about the leverage effect exerted by the cultural and landscape heritage on the local economic development.

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