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MANAGING THE CORONAVIRUS PANDEMIC IMPACT ON TOURISM IN SPAIN, ITALY, ROMANIA AND POLAND

Case
Study

Keywords

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Abstract

The article aims to identify good practices in epidemic risk management. Thus, by knowing and applying these good practices, results can be obtained to mitigate the negative consequences produced by extremely risky events such as epidemics. In order to achieve the proposed goal, the following were specified as objectives of the article: identification of measures adopted in the four countries analyzed, namely Spain, Italy, Romania and Poland, to prevent the spread of the coronavirus pandemic and of solutions taken to reduce economic losses which arose as consequences of the imposition of these measures in the field of tourism. This paper combines elements of qualitative research, namely the use of methods such as data processing and analysis, comparative analysis, documentation of reports, and the presentation of conclusions.

INTRODUCTION

During this period, the global population is facing the pandemic of coronavirus SARS-CoV-2, and extent of the disease COVID-19, which, despite being primarily a health issue (without precedent in living memory) (OECD, 2020), began to produce their effects on the global economy, especially the tourism.

This coronavirus is a new one, and first appeared in China, in December 2019, in the city of Wuhan. The World Health Organization (WHO) declared COVID-19, on 30 January 2020, an international public health emergency.

By the beginning of May 2020, the coronavirus pandemic had affected approximately 218 countries and approximately three million people had been confirmed positive, of whom approximately 207,000 had lost their lives.

The United Nations Office for Disaster Risk Reduction (UNDRR), in collaboration with other international and national organizations, are trying to control and manage the coronavirus pandemic and taking measures not to become a disaster, and the only solution to managing the risk of coronavirus spread is prevention (United Nations Office for Disaster Risk Reduction, 2020).

The coronavirus pandemic has affected everyone, but not equally, the elderly, people with disabilities and those living in underdeveloped countries being the most affected.

To observe how the developing countries and the developed countries were affected by the coronavirus pandemic, the author chose for this study the developed countries in the European Union, respectively Spain and Italy, but also two developing countries like Romania and Poland.

RESTRICTIVE MEASURES IMPOSED BY AUTHORITIES TO MANAGE THE SPREAD OF CORONAVIRUS IN SPAIN, ITALY, ROMANIA AND POLAND

The first cases of coronavirus in the analyzed countries were confirmed on February 26 in Romania, on January 15 in Italy, on January 31 in Spain and on March 4 in Poland.

Italy was the first country in the European Union affected by the pandemic, and the most affected areas were in northern Italy, respectively Lombardy, Piedmont and Emilia-Romagna.

In Romania, after the first case, the pandemic registered a rapid increase, a third of the cases being registered in Suceava and Bucharest. The negative consequences of the pandemic were also influenced by the lack of protective materials and working procedures specific to such a disaster and the insufficient number of medical staff.

The Polish authorities quickly took steps to limit the spread of the coronavirus immediately after the first cases were reported. Most cases were registered in four districts, including the Warsaw area. If the pandemic had spread, it would have endangered the health system because it was found that there are no well-trained medical staff.

Spain is among the countries most affected by the pandemic in the European Union. In the second half of March there was an increase in the number of cases of infected people, reaching its peak in early April, and the most affected regions were Catalonia and Madrid.

In Figure 1 is presented an evolution of confirmed cases of coronavirus in the four countries analyzed (until June 26, 2020) (European Centre for Disease Prevention and Control, 2020). This figure shows a sharp increase in confirmed cases of infected people in Spain and Italy since the second month of the spread of coronavirus in these countries.

The current situation of the four countries analyzed in terms of the number of confirmed cases and the number of deaths (up to 26 June) is shown in the Figure 2 (World Health Organization, 2020).

It is observed that Romania registers deaths representing 6% of the total number of confirmed positive people, Poland 4%, and Spain and Italy, although they are developed countries, register percentages of 11% and 14%, respectively, of deaths from the total confirmed cases.

Most governments in the countries affected by the pandemic have managed to reduce the number of deaths caused by coronavirus and reduce its spread, but the measures imposed by them have caused blocks in the economy, stopping activity in many areas, including tourism, increased inequality and had negative consequences in the field of education.

Thus, in all the analyzed countries the author encounters restrictive measures such as: suspension of flights, closure of railway traffic, closure of schools and universities, restrictions on movement of persons, prohibition of events, closure of areas of activity that are not essential services for the population, strengthening the medical system (increase the number of places in the intensive care units of hospitals), wearing protective masks, support for childcare, simplification of administrative processes, encouragement of work at home, gradual closure of cultural, accommodation, food and entertainment facilities and shopping malls etc.

Short-term work schemes have been implemented in Italy and Spain, and economic redundancies have been suspended in Italy during the state of emergency.

In Italy, these restrictions were gradually relaxed at the end of April, about two months after the outbreak of the pandemic, maintaining the warning of physical distance.

In May, restaurants and bars were gradually reopened, and in June, access was allowed for visitors from European Union countries.

In Romania, the measures that were imposed began to be progressively relaxed, starting with May 15, the trips in the territory of the country and the public assemblies being subject to limitations in the first phase of relaxation.

The Polish authorities have managed to limit the spread of coronavirus by rapidly introducing the above measures, which has allowed them to gradually relax since May. Thus, hotels, restaurants, shopping centers, cultural institutions, theaters, sports centers, some schools were gradually reopened and public events were allowed with a maximum of 150 participants.

In Spain, the restrictions have been gradually lifted since 10 May.

During the management of the coronavirus crisis, before measures were relaxed in some countries, 72% of global destinations completely closed their borders to tourists from other countries.

The pandemic had a much greater impact on tourism than the 2008 financial crisis.

The World Tourism Organization (WTO) has estimated that this year tourism could fall by 30% globally and economic losses of about \$ 450 billion. In the first quarter of 2020 global trade values fall by 3% (United Nations Conference on Trade and Development, 2020).

The World Travel & Tourism Council estimates that the pandemic has led to a 30% decrease in tourism jobs, approximately 100.8 million jobs and a 70% decrease in the fiscal value of companies in this field (Ungureanu, 2020).

In Spain, Romania, Italy and Poland, tourist activities were severely affected during the period when the borders were closed, even being temporarily blocked.

During this period, the only accommodation units that were available were those that received quarantined persons or medical staff.

Spain is among the most popular tourist destinations (second place in the world), and the contribution from tourism activities represents about 14% of GDP, and the blockade of tourism in this period will be reflected in the country's declining GDP. To limit losses in the field of tourism, the Spanish authorities have opened the borders for foreign tourists since June 21, keeping restrictions only for Portugal (until July 1).

Tourism activities in Italy contribute about 13% of the country's GDP. From June 11, the Italian authorities began to relax restrictive measures affecting tourism, respectively allowing access to foreign tourists from European Union countries, but also to tourists from non-EU Schengen countries (Switzerland, Norway, Iceland and Liechtenstein), Great Britain, Monaco, Vatican, San Marino, without the obligation of self-isolation

for 14 days. For tourists coming from the USA and other unspecified countries, with a well-established purpose (business, medical treatments etc.), there is an obligation to self-isolate for 14 days.

In Romania and Poland, the contribution of tourism activities to the GDP of countries has a value of about 5%, much less than in Italy and Spain.

In order to limit the negative consequences of the pandemic on tourism, the Romanian authorities have opened the borders for foreign tourists, without other restrictions, since June 15, and the Polish authorities have opened the borders since June 13, for foreign tourists coming from the countries of the European Union, the EFTA (European Free Trade Association) and Switzerland, and the borders outside the European Union remained closed.

SOLUTIONS IDENTIFIED BY THE AUTHORITIES FOR ECONOMIC RECOVERY IN THE FIELD OF TOURISM

Globally, at the initiative of the World Tourism Organization (WTO), the Global Committee on the Tourism Crisis has been set up to coordinate international organizations to create a response to reduce the impact of COVID-19 and help tourism recover. This committee includes representatives from the World Health Organization, the International Civil Aviation Organization and the International Maritime Organization, as well as representatives of countries (Kenya, Senegal, Zambia, Brazil, Jamaica, Chile, Maldives, Malaysia, United Arab Emirates and Saudi Arabia, Greece, China and Spain).

WTO representatives identified three areas for action to boost the recovery of tourism, namely economic, institutional and promotional. This institution specified the need to introduce measures and policies to support the economic recovery in the field of tourism (World Tourism Organization a United Nations Specialized Agency, 2020a).

Tourism is one of the important pillars of the 2030 Agenda for Sustainable Development.

The European Bank for Reconstruction and Development and the UNWTO are cooperating to boost recovery in this area, in all 38 savings in which the bank invests.

It is forecast that in the future individual or family tourism will develop, with an emphasis on domestic and quality tourism, in less crowded areas, with green spaces (ecotourism), and small hotels, boarding houses or apartments will be sought. Representatives of large hotels will have to guarantee tourists that they have sufficient safety measures in place to prevent the spread of coronavirus (Weident, 2020).

In Spain, the government has ordered a financial package to help temporarily laid off people

(ERTEs) in the field of tourism, support companies affected by the blockage or slowdown, but also guarantee the cash flow of affected companies.

Thus, the government used 14 billion euros to help the economy, 3.8 billion to develop public health and 400 million euros for tourism and transport (about 1.5% of Spain's GDP).

These measures taken to reduce the social and economic impact of coronavirus are: helping SMEs and the self-employed to reduce operating costs (eg reviewing leases), facilitating access to credit and providing facilities for deferring credit payments, facilitating deferral the payment of taxes, the protection of jobs (especially permanent employees who are temporarily made redundant) and the protection of vulnerable people (World Tourism Organization a United Nations Specialized Agency, 2020b).

The Spanish Ministry of Health, in collaboration with the Secretary of State for Tourism, has prepared specific guidelines to reduce the spread of coronavirus in tourism.

Also, the Board of Directors of the Spanish Institute for Tourism Quality, has created a tourist seal, through which companies and organizations can use it to ensure the implementation of measures to prevent the risks of coronavirus spread.

The Spanish recovery strategy also includes the collaboration of government representatives with the Spanish airport operator Aena, in order to reduce the fares of companies that land at an airport in Spain. The recovery strategy also includes the promotion of national tourism.

In Romania, the government has adopted the following fiscal measures to help employers directly affected by the spread of the coronavirus, including those in the tourism sector, who have reduced or temporarily stopped working: during the state of emergency, the Ministry of Economy, Energy and Business Environment facilitated the postponement of payments for utilities - natural gas, electricity, water, internet and telephone services, but also for rents, for SMEs which has certificate of emergency, VAT refund up to the limit of nine billion lei, increase of the budget allocated for the settlement of medical leave, technical unemployment were paid from the budget of the Ministry of Labor (maximum 75% of the gross salary average), suspension of payment of loan installments for a period of nine months, not exceeding the deadline of 31.12.2020, reduction the payment of corporate income tax and the implementation of an aid scheme for SMEs amounting to EUR 3.3 billion, which also benefit tourism businesses (World Tourism Organization a United Nations Specialized Agency, 2020b).

The Romanian Government has taken measures to open beaches for tourists, namely: observing the physical distance of two metres between sunbeds used by different families, displaying regulations

on access and behavior on the beach, restricted access to the beach to avoid overcrowding, entry and exit on the beach to be done through separate spaces, and if spacing is not possible it is recommended to use protective masks, individual use of beach equipment etc.

In Italy, the main measures taken or to be taken to recover the economy consisted of: 1.15 billion euro in aid for the health system and 1.5 billion euro for the Civil Protection Agency (responsible for organizing the coronavirus response), financial support for Italian families with children, as well as for taxi drivers and postal workers who continue to work or provide emergency services during the outbreak, a 25 billion euro tax relief package, the suspension of tax payments, contributions to social security and social assistance and compulsory insurance premiums for cultural enterprises (theaters, concert halls, cinemas, fairs or events of an artistic or cultural nature, archives, historical monuments, museums, libraries etc.), bars, restaurants, spa, amusement/theme parks, transportation, sports equipment rental and leisure, equipment for different events, tourist assistants and guides. The government has also announced a grant of 200 million euro to help airlines with problems, like Alitalia or Air Italia (World Tourism Organization a United Nations Specialized Agency, 2020b).

Firms affected by the crisis have loan guarantees and a moratorium on loans and mortgages, and people who are self-employed and have been affected by the restrictive measures receive 500 euro per person. Government support is also provided for companies that do not lay off employees and for employees who work during this period.

In the fields of tourism, culture, entertainment, film and audiovisual, allowances were granted for employees.

After June 3, Italy opened its borders to all European Union countries and the Schengen area, without the need for quarantine upon their entry into the country.

In Italy, it has also been proposed to grant a holiday bonus for Italian families who spend their holidays in the country, in order to reactivate the domestic tourist demand.

In Poland, solutions for the recovery of tourism activities include: reimbursement to tour operators of their contributions to the Tourism Guarantee Fund for the package that was canceled due to the coronavirus pandemic, the implementation of a mechanism to minimize financial losses of entrepreneurs to ensure the proper functioning of economic operators in the tourism market in the context of the spread of coronavirus, the financing of a rescue package designed to protect jobs and the economy from the impact of the spread of coronavirus, which will cost about 212 billion PLN

(52 billion USD), or about 9% from GDP, additional funds for hospital equipment and consumables, salary subsidies for employees of affected and self-employed companies, guarantees from the National Development Bank (BKG) for affected companies, additional loans for micro-companies, deferral of payment of contributions and possible postponement, payment in installments or cancellation of taxes and allowances for parents for closing schools (World Tourism Organization a United Nations Specialized Agency, 2020b).

Also, the Department of Tourism from Poland, has created a guide with question and answer for tour operators and travelers, which includes regulations that define the rights of entities in the tourism market and focus on recommendations that can be used in the pandemic situation.

Through this pandemic, sustainable tourism can be rebuilt (World Economic Forum, 2020). Also, European Union representatives are being discussed the creation of travel lanes, in order to increase the confidence of tourists that safety measures are respected. Such a color could transit Germany, Switzerland, Austria or Hungary to Romania.

CONCLUSIONS

The pandemic has affected the globe in half a year, with most countries recommending measures to distance themselves physically and to wear masks by medical staff and the general public.

The experience gained so far in managing the pandemic has shown that compliance with these measures at an early stage resulted in a slowdown in the spread of coronavirus and even stopped it.

Although these measures are very good to stop the spread, in the long run they cause economic losses and lead to blocks in the economy, especially in non-essential areas.

Even though developed countries have well-developed medical systems, the pandemic has taken them by surprise, identifying the shortcomings of these systems, which show that no matter how well prepared, one has nowhere to predict the severity of an extreme risk event, but without these minimal measures taken and without investments in the disaster prevention phase, the negative consequences that might happen as an effect of the disaster would be catastrophic.

Romania and Poland, unlike Spain and Italy, have imposed more restrictive and much earlier measures. It is observed that Spain and Italy, economically developed countries, have had economic losses due to the pandemic much higher than Romania and Poland.

The pandemic shows that essential public services, such as health, education and social security

networks, are key elements in managing the risk of extreme events.

Also, in the management of this disaster, the collaboration between the public and the private sector is very important, but also between the authorities and the population.

During this period of isolation, the population discovered the advantages of technology, discovering new methods of learning and work, focusing on telemedicine, e-commerce, online payment for services etc.

In this century, the pandemic can be the beginning of a new era for innovation and technological development, in the interest of society and the environment.

The recovery in tourism in all countries of the world will depend on the duration of the maintenance of physical distance measures, will be slow and lasting (Stroe, 2020), with an emphasis on saving jobs. Governments have an important role in recovery by creating financing programs or by waiving or suspending taxes for at least 6 months in this field, but also by implementing innovative products.

From this pandemic, tourism investors should learn to be prepared for extreme risk events at all times, to form financial resources to pay for operating expenses for a few months, even if they have no income.

Measures taken during the pandemic, especially physical distancing, can be an opportunity for a safe holiday.

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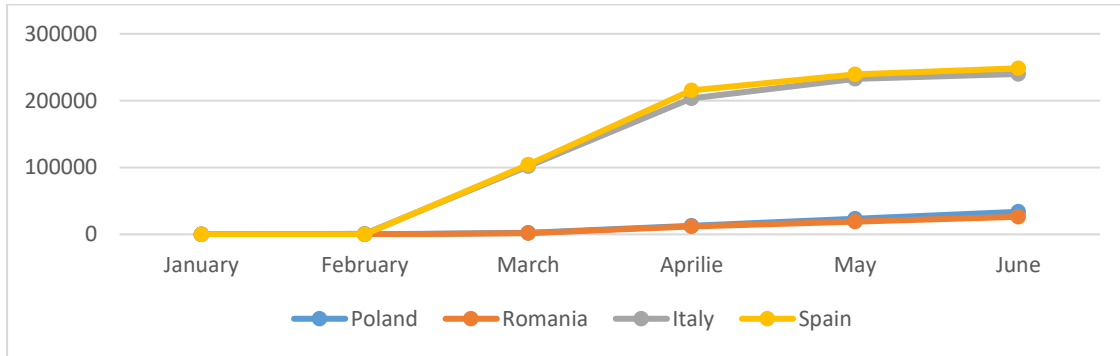


Figure 1
Evolution of the number of SARS-COV-2 cases registered in Poland, Romania, Spain and Italy
 Source: own elaboration according to the data taken from European Centre for Disease Prevention and Control (2020).

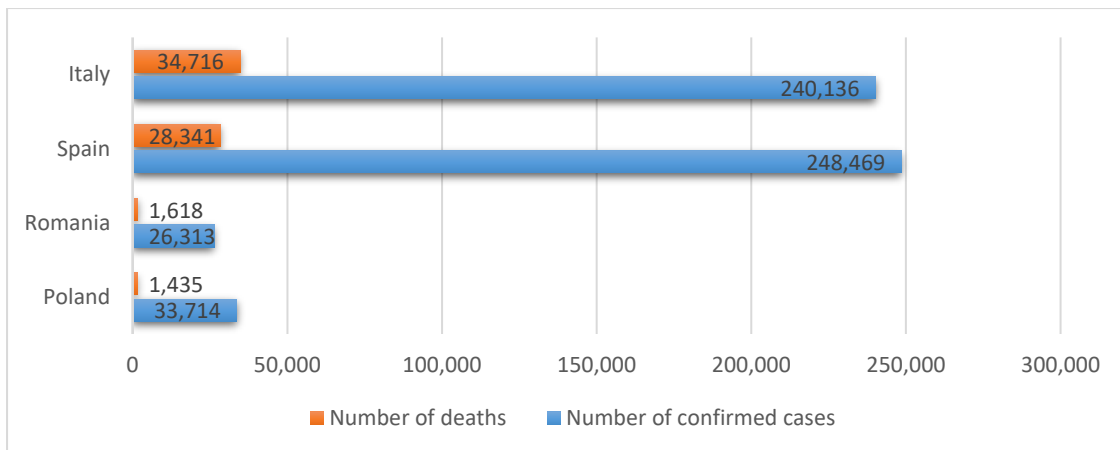


Figure 2
Current situation regarding the number of confirmed cases and deaths in Poland, Romania, Spain and Italy
 Source: own elaboration according to the data taken from World Health Organization (2020).