

# ENTREPRENEURIAL ENVIRONMENTAL CONDITIONS FOR PROMOTING SUSTAINABLE TOURISM

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### **Abstract**

In many countries tourism is one of the most important economic sectors. In this paper we want to identify environmental conditions and strategies, which may promote the entrepreneurship in order to create the conditions to sustain tourism.

First, we defined sustainable entrepreneurship and its application in the tourism sector and then we identified the most important external framework to the tourism sector. The influence of those factors to local development was also analyzed.

Considering that local development is the base of economic development of all countries, sustainable tourism play a very important role in order to create the conditions for sustainable development through the creation of jobs, maintenance of the social *status quo* and preservation of environmental heritage.

On the second part of this work we analyzed the sustainability conditions of Tourism Region of Costa Azul in Portugal.

**Key words: Entrepreneurship, Sustainable Tourism and Entrepreneurial Strategies**

### **INTRODUCTORY NOTE**

Tourism industry is now one of the most promising. It is fast growing and presents many diversified products and destinies. In Portugal this sector revealed a great potential even though the “Sun and Beach “ tourism is now a “mature” destiny with low possibility to grow. The interiors of Portugal and Azores and Madeira have still a growing potential.

Enterprises involved in this sector are very diverse. There are big international enterprises, SME's and family enterprises.

In this paper we want to identify strategies and important variables for tourism enterprises, which can conciliate social, economic and environmental factors

In the second part of this work we present and analyze sustainable development in the tourism sector considering a case study of “Costa Azul “ Tourism Region.

### **I PART - SUSTAINABLE ENTREPRENEURSHIP IN THE TOURISM SECTOR**

#### **1. Entrepreneurship**

For better understanding of sustainable entrepreneurship we must first define entrepreneurship itself. The entrepreneurship concept was defined by many researchers and suffered many changes.

Say and Schumpeter were the first to identify that issue as one of the important characteristics of the production function. For Say entrepreneurs are those who create value, for Schumpeter the essence of entrepreneurship is innovation and changes in the production process.

We can define entrepreneurship as a new way to do something, as a particular way to take advantage of emerging market opportunities, as a threat transformed into an opportunity, as a new way to produce, to sell, to distribute and to assist, as

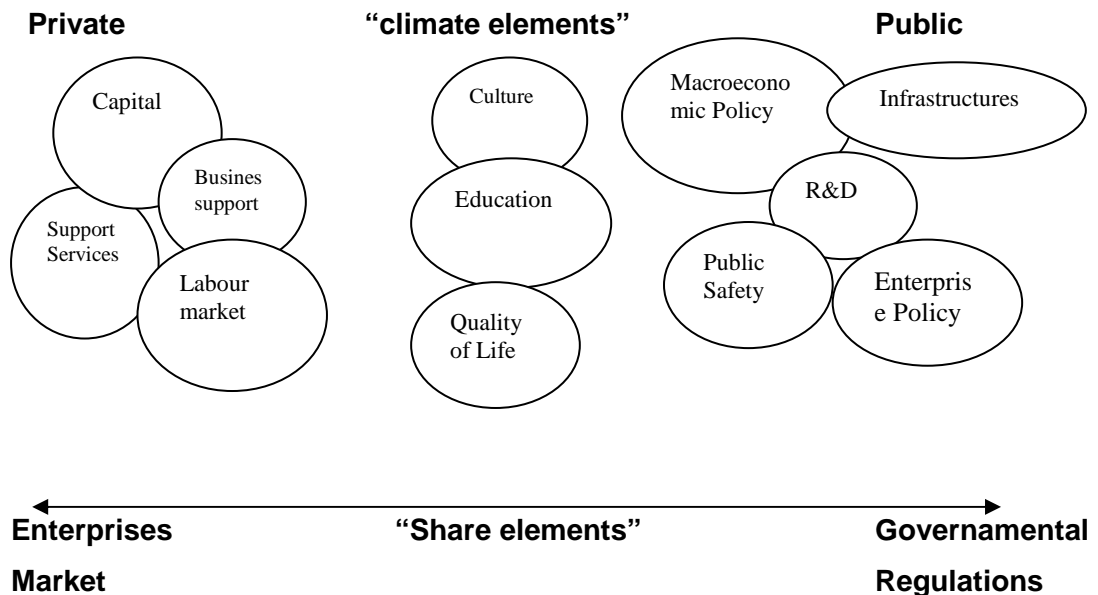
everything which creates a positive result for the enterprise or which allows the maximization of gains, the maintenance of the market position or the conquest of a new market segment or any other proposal of the enterprise.

The entrepreneurship concept is many times associated with enterprise formation (new enterprises) but we may also consider entrepreneurship in existing enterprises. We can characterize the entrepreneur as one who has a capacity to decide a strategy in order to take advantage of opportunities. Some researches characterized entrepreneurs as the ones who accept risks better, others defend that the entrepreneur has a capacity to see an opportunity were others can only see risks.

We may consider that there is a group of elements, which are important to create the favorable climate to entrepreneurship. Lordkipanidze has called them “entrepreneurship climate elements” (Lordkipanidze, 2002, p.30). The figure below illustrates these elements.

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Figure 1. “Entrepreneurship Climate elements”

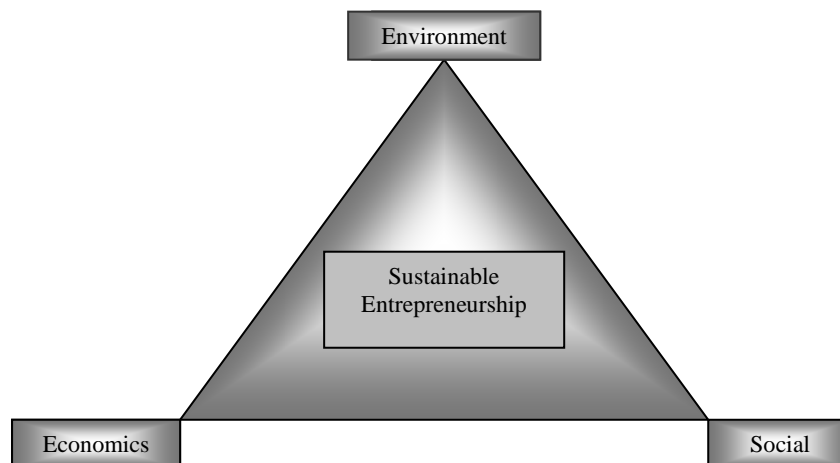


Source: Lordkipanidze, 2002, p30

## 2. Sustainable Entrepreneurship

Since 1992, after the Rio Conference, more and more significance has been given to social responsibility of enterprises and the role of enterprises for promoting sustainable development. In Agenda 21 entrepreneurship was seen as a relevant force for innovation and for increasing market efficiency. Responsible entrepreneurship “may increase the efficiency of resources utilization, diminish waste and protect the environment” (Agenda 21, 2002). Responsible entrepreneurship grants sustainable business and allows equilibrium between the environment economy and social aspects. Figure 2(below) illustrates this equilibrium.

Figure 2 – Sustainable entrepreneurship



Source: Authors construction

Sustainable entrepreneurship is really important because this particular sector has many more reasons to maintain equilibrium between those three forces.

### 3. TOURISM VERSUS SUSTAINABLE TOURISM

We may consider tourism as “activities of people who travel far away from their usual environment or stay there at least one year for leisure, business, or other motivations” (OMT, 2003, p20).

Appeals to sustainable strategies for tourism development are common. OMT defines sustainable tourism as “this kind, which considers the necessities of today tourists and the necessities of destinations and at the same time increase the opportunities of future” (OMT, 2003, p24).

Sustainable tourism makes long term planning strategies in order to identify opportunities, resources and environmental constrains compulsory. It also obliges the involvement of local communities and other sectors of activities important to the region.

We may place here some questions following Partidario Maria & Lima Susana (2002, p7),

- 1- Is mass tourism a sustainable tourism?
- 2- Sustainable tourism might be a mass tourism?

According to the researchers above, the answer to the first question may be yes or no because in mass tourism it's important to accomplish environmental and cultural quality demands.

It's more difficult to give a positive answer to the second question because actually sustainable tourism is the low-density tourism, with individual service and contact with ecology equilibrated environment. We may define this kind of tourist has “a *Green Tourist*”. This kind of tourist on Weaver & Oppermann (2000, 356) perspective is “ more conscientious of his or her capacity to

influence a market environment". This means that he or she has to be able to be more responsible on his or her decision taking.

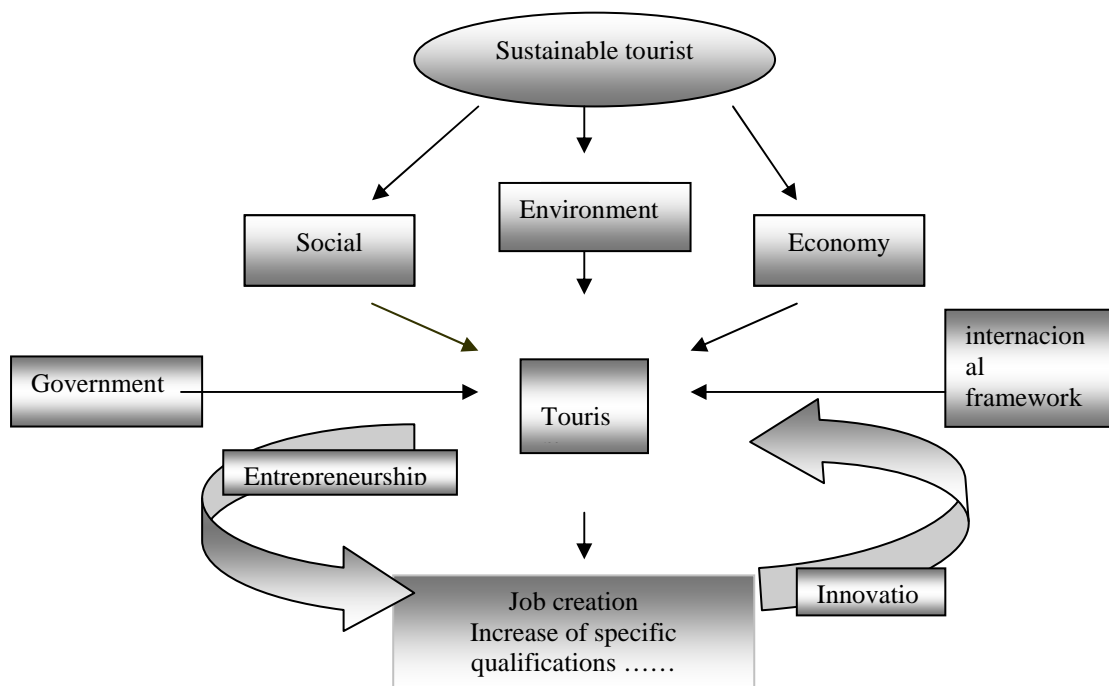
#### 4. SUSTAINABLE ENTREPRENEURSHIP ON TOURISM SECTOR.

Sustainable entrepreneurship in the tourism sector beyond the traditional tourism enterprises such as hotels, restaurants, travel agents, show business, and handcraft involve many commercial enterprises placed in urban or country sites. We must also count with public enterprises which offer many support services such as transport culture services, parks and others. (Lordkipanidze, 2003, p35). Following Saayman and Slabbert (2001) a tourism industry is a mixture of private and public organizations, actively involved in the processes of production and selling of services and products, in order to satisfy the tourist's necessity.

In the concept of sustainable tourism it's also important to take into attention the creation of a business considering plans for regional development on social, economic and environmental spheres. Sustainable tourism involves also the creation of new services in the tourism sector, which means promoting innovation. Following Tetzschner e Herlau (2003, p10) we may consider as innovation in tourism sector the subsequent situations:

1. Innovation of products (new products and services for tourism)
2. Organizational innovation (new form of management)
3. Process innovation (new forms of knowledge creation in tourism sector)
4. Innovation in Logistics (new forms of supply of products and services to clients )
5. Market innovation (new forms of marketing and of consumer behaviour)
6. Mix of those five in order to create new activities.
- 7.

Figure 3 – Tourism sector as a form to catalyze entrepreneurship /economic growth



Source: Authors Construction

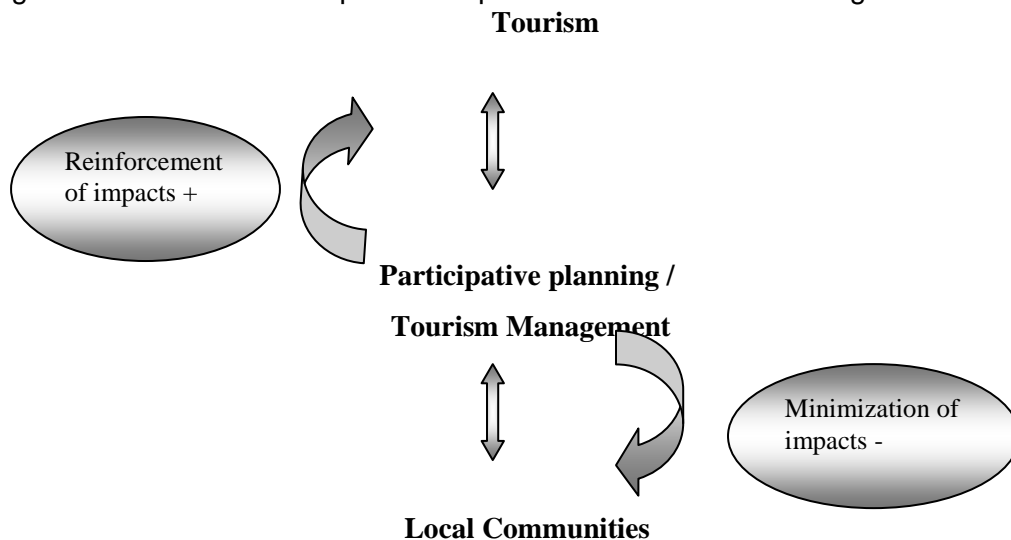
Sustainable tourism also creates a set of benefits to local communities namely as:

- Job creation, especially for the most vulnerable groups like women or ethnic minorities
- Stimulus for new start-ups of local enterprises:
- Rises in income and quality of life:
- Quality of local labour:
- Investment on infrastructures which also benefits local communities;
- Markets for local products;
- Possibilities for environmental regeneration;
- Possibilities to the emergence of environmental conscience and local identity.

The entrepreneurs are able to contribute for the economic development and well being of the local population.

It's important to refer that the tourism sector may also have negative influence, especially if it's growing fast and without strategic planning which may induce land speculation. There are also other negative impacts such as: traffic problems, air and water pollution, lack of territory planning and lack of local community involvement, which may lead to the opposition of the population. To avoid this kind of problems it's important to adopt strategies, which may increase positive aspects, and through monitoring systems eliminate negative ones.

Figure 4 – Maximization of positive impacts and minimization of negative



Source: Authors construction

For the planning process it's important the participation of all social agents: enterprises, local communities, tourists, NGO, government (central and local authorities).

It's necessary to point the factors, which justify the involvement of everybody on this process. Three of these seem to be the most pertinent: a growing market for new tourists; profitability of sustainability and appetency of the biggest tourism enterprises to adopt environmental practices. (Weaver & Oppermann, 2000, p356).

Some researchers defend that the smallest enterprises haven't the motivation to introduce sustainable practices, especially as defined in Agenda 21 for Travels and Tourism (Partidário & Lima 2002, p25).

## 5. EXTERNAL CONDITIONS AND STRATEGIES FOR SUSTAINABLE ENTREPRENEURSHIP

Considering the external conditions and strategies it's important to refer four fundamental factors:

- Climate and environment where the enterprise is placed;
- Infrastructures (specific conditions);
- Support conditions (public and private support for entrepreneurship);
- Demand conditions (sustainable tourism)

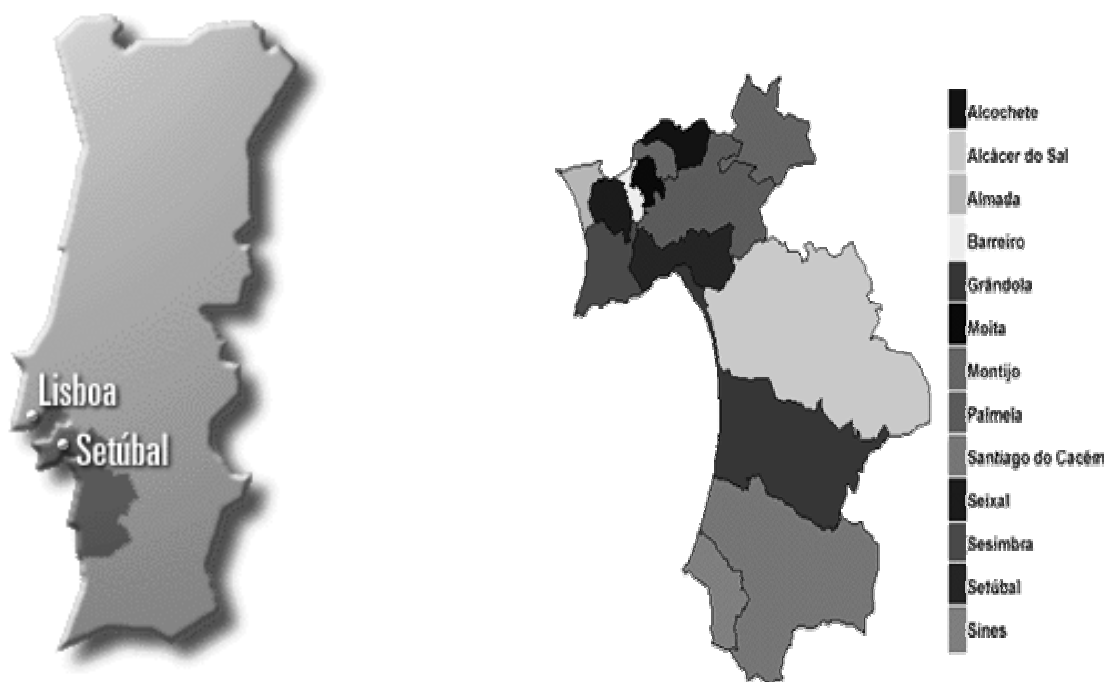
Strategies ought to get a general consensus of interests and involve the different agents in order to create profitable synergies for all.

In Portugal there are some destinies, which may grant sustainability because they are still in a growing phase and with proper government intervention they are able to maintain characteristics of sustainable tourism.

## II CASE STUDY

### 1. CHARACTERIZATION OF COSTA AZUL REGION.

The region named Costa Azul has almost 770 thousands of inhabitants and is placed south of Lisbon. The region is limited in the north by Tejo River and in the south by Mira River. 13 administrative units with two different realities compose Costa Azul Region. The first one is Setúbal Peninsula, which accounts for 9 administrative units (Alcochete, Almada, Barreiro, Moita, Montijo, Palmela, Seixal, Sesimbra and Setúbal) and is placed between Sado and Tejo Rivers. This part counts for about 91% of all the population of this Region; this population is younger and has a high population density (445 hab/km<sup>2</sup>). This half-region suffers a strong influence of the proximity of Lisbon



Localization of Costa Azul Tourism Region (RTCA)

Administration unites of RTCA

The second part of the region is placed south of Sado River - Alentejo and counts with 4 administrative units (Alcácer do Sal, Grândola, Santiago do Cacém e Sines). The population is much older, accounts for only 9% of the population of Costa Azul Region and is characterized by a low population density (19 hab/km<sup>2</sup>)<sup>1</sup>

<sup>1</sup> Dados da RTCA fonte INE

In the northern part of the Region we may verify much more human intervention than in the south where there are natural open spaces almost without human touch. This region has very diversified natural characteristics with mountains, rivers and the ocean. Museums, monuments, buildings and places of historical interest, archaeological remains that are open to the public, ancient churches and monasteries are all to be found in Costa Azul.

Nowadays, the increasing interest shown in ecology and preservation of the environment has meant that different types of museums have been founded for example eco-museums or natural parks. In order to preserve the natural characteristics of Costa Azul the Natural Park (Serra da Arrábida), two Natural Reserves near the rivers Sado and Tejo and the Protected Arriba Area the Costa da Caparica were created.

Serra da Arrabida stretches up along the coast between Setúbal and Sesimbra. These chalky hills have the only surviving example of primitive Mediterranean vegetation. Tucked away in the heart of Arrábida's Natural Park, the formation goes back 180 million years. The soil and mild climatic features, considered the best in Portugal, have produced a lush vegetation rich in species.

The Natural Reserve of the Sado Estuary, created in 1989 covers an enormous area of 23,160 hectares. It was created to conserve nature and preserve values found in and around this magnificent estuary. From a natural point of view, this protected area presents a huge ecological contribution with vegetation extending as far as the salty water at the river mouth, marshes, loam which comes and goes with the tide and the many species contained there.

The Natural Reserve of the Tejo Estuary was proclaimed in 1976. The surface area is 14,560 hectares extending from North of Alcochete to the estuary waters, loam areas, salt pans, marshes, sand-banks and agricultural areas.

The protected Arriba Fossil area of Costa da Caparica, is situated between Trafana and the Lagoa de Albufeira. This area occupies an area of 1,570 hectares and was so defined in 1984 because of its geological importance of sedimentary rocks which form the river bank, some of which go back to 15 million years.

South of Setúbal, there exists an extensive area of beaches and pine forest with unique characteristics in Europe due to its beauty which is almost unchanged by men. This area has a very rigorous land use planning, which forbids building in many littoral places.

Alentejo countryside presents its own characteristics with huge plains and agricultural areas and big open spaces.

## 2. INDICATORS FOR THE TOURISM SECTOR IN THE COSTA AZUL REGION.

Costa Azul Region has about 2.4% of the beds in all Portuguese hotels and about 14.6% of places in Camping sites. The administrative units of Setúbal, Sesimbra and Almada in north part and Grândola in the south have most of the hotels beds and Almada has the most of the camping places.

The tourism region of Costa Azul is most interesting for the national tourists (about 50% of sleeping) Considering the international demand the most frequent visitor is the Spanish tourist ( 11%) German , English and Dutch tourists, respectively 5% and 4% of visitors.

Even though it is possible to meet tourists in the region all year round there is a strong seasonality with the biggest impact in summer months related with the

“beach and sun” tourism. More than 12% of all tourists come in summer months and only about 4% in winter months. The occupational index is above 85% in four stars hotels in summer and only 51% in winter.<sup>2</sup>

### 3. AUDIT OF SUSTAINABLE DESTINY OF COSTA AZUL REGION

We tried to audit the destiny of Costa Azul Region considering the sustainable destiny criteria through the adaptation of the model used by the Tourism Management Institute.

Process	Component	Key actions and stakeholders relationships			
Destination audit	Visitor satisfaction	Visitor	Industry	Community	Environment
		Undertake visitor satisfaction survey			
		+	+	n/a	n/a
	Local economic impact	Develop local economic model for tourism			
		+	+	+	-
	Community Attitudes	Undertake community attitude survey			
+		+	+	n/a	
Carrying capacities	Incorporate study visitors management plan				
	n/a	+	-	-	
Destination planning	Tourism within local authorities/destinations	Produce local authority tourism strategy/destination management plan			
		n/a	+	n/a	-
	Tourism partnership	Establish stakeholders meetings and public/private partnership			
		n/a	+	-	n/a
	Micro- business	Create development framework and incorporate within strategy/management plan			
		-	-	-	-
Land Use planning for tourism	Tourism guidance for planning department and agreed tourism/planning department				
	n/a	+	-	n/a	
Visitor management	Develop visitor management				
	n/a	+	n/a	n/a	
Destination development	Quality	Adoption and promotion of quality systems			
		-	+	-	-
	Business training and support	Business training and development programme			
		+	+	n/a	n/a
	E-business	Create IT-based destination management system and websites			
		-	+	-	-
	Transport	Inclusion of tourism needs in local transport plan and visitor transport initiative			
		-	+	-	-
Visitor payback	Promote and support visitor payback schemes				
	-	+	-	-	
Accessibilities	Develop local accessibility action plan				
	+	+	+	-	
Local distinctiveness	Destination branding strategy and local producer group, events festivals and programmes				

<sup>2</sup> Data of RTCA

Monitoring and Evaluation		+	+	+	-
	Biodiversity	<b>Develop local Biodiversity Action Plan for tourism</b>			
		-	+	+	+
	Waste management and tourism	<b>Waste management initiatives, certification and incorporation of tourism business needs in LA waste managements strategy</b>			
		-	+	+	-
	Sustainability awards and schemes	<b>Participate in destination awards and promote/develop industry certification</b>			
		-	-	-	-
	Marketing	<b>Develop destination marketing strategy</b>			
		-	+	-	n/a
	Measuring Performance	<b>Develop local benchmarking programme</b>			
	-	-	-	-	
	<b>Best Value Audit Programme and Performance Measure</b>				
	-	-	-	-	

Source : English Tourist Board and Tourism Management Institute 2003

## SWOT ANALYSIS OF SUSTABABILITY OF COSTA AZUL REGION

Strengths; Location, weather; diversity of supply, biodiversity.

Weaknesses; lack of management's sensitivity for environmental aspects; lack of sophistication of supply; lack of regulation and control of quality; problems with waste management; insufficient supply of ecotourism activities; lack of managements skills in the tourism sector; weak local community involvement.

Threats; new more sustainable and competitive destinies; government policies of regulation and lobbies of building sector;

Opportunities – natural parks; local specific traditions; landscape diversity, new projects, which consider sustainability issues.

### III- CONCLUDING REMARKS

Sustainable entrepreneurship in the tourism sector has to take into attention economic social and environmental conditions.

The entrepreneur in this sector has also a role to preserve the environment and has to be conscious of other public and private agents and also of the tourist to maintain natural conditions, habits and customs. He has also the important role to create jobs and wealth, which allow reducing some social risks such as: unemployment, poverty and criminal activities.

The external framework, especially the positive impact has to be maximized. This strategy needs tourism planning, which implies the involvement of enterprises, public entities and local communities. The growing tendency for many more "green tourists" is the opportunity to develop sustainable tourism. The important role of government is to promote this involvement process, through information companies for tourists and local communities, through environmental education and showing the benefits for communities in the tourism sector.

The RTCA Audit has shown us that the region is in an incipient phase of the development process, the environmental and sustainable concerns are now only based on intentions with little or no practice. Considering the national results on this questions we may conclude that there is so much to do in Portugal in this matter and the involvement process of all agents is the most difficult issue.

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