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# Tourism Development and Sustainable Well-being: A Beyond GDP Perspective

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#### **Abstract**

The *Beyond GDP* approach to development is gaining widespread support from policy makers and researchers worldwide. While not formulated specifically for tourism activity, the approach serves as a guide to measuring the current and future well-being of destination residents associated with tourism development. Inspired by the *Beyond GDP* approach, a framework comprising the main dimensions of well-being is argued to provide valuable input into an action agenda to achieve sustainable tourism development. The paper discusses some key responsibilities of tourism industry stakeholders structured according to several different senses of 'beyond' that characterise the *Beyond GDP* research agenda. The paper concludes that research on destination tourism development can learn much from the *Beyond GDP* approach in respect of conceptual advance, industry practice and policy implementation.

**Keywords:** tourism destination, resident well-being, sustainable development, Beyond GDP, Better Life Index

#### 1. Introduction

Promoting the well-being of local residents is a fundamental objective of sustainable tourism development (Crouch and Ritchie, 2012). In recent years an increasing volume of tourism-related research has addressed well-being issues as they affect both tourists and destination residents (Uysal, Perdue and Sirgy, 2012a,b,c; Smith and Diekmann, 2017; Hartwell, Fyall, Willis, Page, Ladkin, Hemingway, 2018). With some exceptions (Moscardo, 2012; Moscardo, Konovalov, Murphy, McGehee and Schurmann, 2017; Kline, McGehee and Delconte, 2019), studies of resident well-being have tended to focus on current well-being outcomes rather than detailed study of the links between well-being and sustainability.

In the wider social science literature a 'revolution' is taking place that has substantial consequences for the measurement challenges facing tourism development and resident well-being. This revolution, known widely as the *Beyond GDP* approach, recognising the inadequacy of standard economic measures such as GDP for capturing several critical dimensions of people's well-being, is attempting to develop measures of progress that capture broader aspects of people's living conditions and of the quality of their lives (Costanza, Hart, Talberth and Posner, 2009; Bleys, 2012; Radermachier, 2015; Fuchs, Schlipphak, Treib,

Long and Lederer, 2020). To date, a substantial body of research and statistical work providing alternative or complementary metrics of human progress has been developed (Stiglitz, Sen and Fitoussi, 2009a,b; Stigliz, Fitoussi and Durand, 2018). As a consequence, the notion of well-being has received increasing attention in recent years as an agenda for research, measurement and policy. In contrast to much of the literature where sustainability and well-being, are often treated independently, the *Beyond GDP* approach regards well-being and sustainability as essentially interrelated within the concept of sustainable well-being (Qasim, 2017).

While not developed specifically for tourism, the *Beyond GDP* approach offers comprehensive and realistic ways to measure destination sustainability and well-being, as well as policy recommendations that can guide tourism development to best sustain resident well-being over the long-run. The overall aim of the paper is to argue the case for measures of sustainable well-being developed within the *Beyond GDP* research agenda, to play an essential role in formulating, implementing and evaluating tourism development across all destinations.

The structure of the paper is as follows. Section two outlines the essence of the *Beyond GDP* approach to development that is gaining widespread support from policy makers, industry operators and researchers worldwide. Section three identifies key dimensions of current and future well-being based on the comprehensive framework developed under the Better Life Initiative. Section four discusses the relevance of the proposed framework to determine the types of tourism developments that best meet resident needs, currently and in the future. Section five discusses a number of important challenges that tourism researchers must face in extending the *Beyond GDP* approach to the tourism development context. Section six concludes that research on destination tourism development can learn much from the *Beyond GDP* approach in respect of conceptual advance, industry practice and policy implementation.

#### 2. Beyond GDP

For many decades, gross domestic product (GDP) has been the preferred measure for assessing progress in human development although it was never created for that purpose (Aitken, 2019). GDP relates to the value of the goods and services produced in an economy

in a given year. The assumption behind using the GDP to assess wellbeing is that the higher the level of economic production, the better people are able to satisfy their material needs. While this measure is a critical indicator of a country's macro-economic condition and the opportunity afforded to meet material needs, its inadequacy to measure people's lives and well-being has become increasingly acknowledged (Bleys, 2012; Radermachier, 2015).

Proponents of the *Beyond GDP* approach recognise that traditional economic growth measures do not capture important elements of living standards, such as leisure time, health, social connections or the quality of the working environment; they do not distinguish between transactions that enhance well- being and those that diminish it; they do not identify inequalities that are essential for assessing the well-being of any community of people; and they ignore the effects of economic activity on the stocks of resources that sustain well-being over time (Costanza et al, 2009; Radamachier, 2015). Human well-being is a broader concept than economic production and material living standards. It includes the full range of economic, social and environmental factors that influence the overall well-being of people and societies (Dodge, Daly, Huyton and Sanders, 2012; Kubiszewski, Costanza, Franco, Lawn, Talberth, Jackson and Aylmer, 2013). There is now a solid and well-established case for looking 'beyond GDP', using well-being metrics in the policy process and assessing economic growth in terms of its impact on people's well-being and on societies' standard of living (Boarini and d'Ercole, 2013; Aitken, 2019; Fuchs, et al, 2020).

Within the *Beyond GDP* approach, a large volume of research has evolved, debating the various alternatives to GDP measurements to guide policy (Musikanski, 2015). Given the complexity of the well-being concept, a single indicator will most likely not be sufficient. A comprehensive set of integrated indicators is likely to be most effective at providing measures for policy purposes. Given that the majority of policy makers and researchers acknowledge the importance of economic indicators *per se* that provide the basis for systems of national economic accounts worldwide, and are essential to economic management, the preferred option of the *Beyond GDP* agenda is to develop a dashboard of well-being measures to complement GDP and other economic indicators, rather than discard or modify the concept itself (Stiglitz et al, 2009a,b; Stiglitz et al, 2018).

The *Beyond GDP* literature seeks a more comprehensive understanding of the both the nature of well-being as well as its drivers. The statistical agenda of the *Beyond GDP* approach is progressively moving towards the development of internationally comparable measures of well-being to better understand people's lives at the individual, household and community level (Exton and Shinwell, 2018). In parallel, the national statistical offices of a growing number of countries are developing measures of citizen well-being (Zealand Treasury,2020). This involves assembling and ordering a dashboard of indicators bearing a direct or indirect relationship to socio-economic progress and its sustainability alongside traditional economic measures. As study of well-being has matured as a statistical and measurement agenda, it has become increasingly relevant as a 'compass' to guide policy, generating more meaningful metrics of well-being and progress and embedding these metrics in public policy assessment (Durand, 2015; Llena-Nozal, Martin and Murtin, 2019).

The next section identifies the dimensions of well-being developed under this approach and discusses their relevance for sustainable tourism development.

## 3. Dimensions of Well-being

The social science literature offers diverse perspectives as to the nature of 'well-being', its drivers and its indicators (Musikanski, 2015; Musikanski, Cloutier, Bejarano, Briggs, Colbert, Strasser and Russell, 2017). A number of these different perspectives have been employed by tourism researchers in their studies of both tourist and resident well-being (Uysal et al., 2016; Hartwell et al, 2018). While there is no theoretical consensus on how best to measure human well-being, it is widely agreed to be a multi-dimensional concept that incorporates notions of material comforts, individual freedoms, opportunities, mental states and capabilities (Durand, 2015; Maccagnan, Wren-Lewis, Brown and Taylor, 2019; Helliwell, Layard and Sachs, 2019). Space limitations, however, preclude giving a comprehensive account of the different measures of wellbeing (but see Newton, 2007; Dodge et al, 2012). Several initiatives, attempting to assess national well-being by complementing GDP with a number of key social and environmental indicators, have joined under the umbrella of the Beyond GDP approach to advance the study of well-being and its role in industry development (Stiglitz et al, 2009a,b; Durand, 2015; Stiglitz et al, 2018; Durand and Exton, 2019). Linking with the 'Global Happiness' and Happiness Alliance literature (Helliwell, et al, 2019; Musikanski et al, 2017), these initiatives share important objectives. *Inter alia*, they

aim to: involve citizens in the discussion of what type of progress societies should strive to achieve; understand what drives well-being; identify a range of indicators that provide measures of whether people's lives are getting better or worse; determine how better measures of wellbeing and progress can inform public policy (Durand, 2015). Given the need for well-being estimates to inform tourism development paths, the measures used by tourism researchers must be credible with a sound basis in theory. The most highly regarded conceptual framework for understanding and measuring well-being and societal progress, emerging from the Beyond GDP agenda is, arguably, the Better Life framework (OECD, 2011; Durand, 2015; Durand and Exton, 2019). This framework identifies three pillars for understanding and measuring resident current and future well-being: material living conditions; quality of life; and sustainability. Material living conditions comprise income and wealth, jobs and earnings and housing. Quality of Life is captured through an additional eight dimensions that shape people's lives. These are health, work-life balance, education and training, social connections, civic engagement and governance, environmental quality, personal security, and subjective well-being. Sustainability is measured using indicators associated with four different types of 'capital'- economic, human social and natural. The level of each type of capital stock is essential for sustaining well-being outcomes over time. The framework is displayed in Table 1.

#### **INSERT TABLE 1 HERE**

The *Better Life* framework incorporates many of the well-being dimensions emphasised in other approaches. The framework's distinguishing features are its recognition of the importance of both subjective and objective dimensions of well-being and its distinction between the drivers of current and future well-being, thus embedding sustainability considerations into the framework. The identified dimensions of well-being as displayed in Table 1 are regarded as universal and relevant for all people worldwide (Durand, 2015; Stiglitz et al, 2018). At the same time it is flexible enough to include additional dimensions and indicators of well-being into the overall framework of analysis as these are developed by researchers, industry practitioners and policy makers (UNECE/Eurostat/OECD, 2013; Durand, 2015; Durand and Exton, 2019).

Associated with each dimension of well-being are indicators that measure performance in respect of well-being enhancement (UNECE/Eurostat/OECD, 2013; Stiglitz et al, 2018). The

developed measures advance our understanding of what drives well-being of people and guide policy-makers to achieve greater progress for the common good (Durand, 2015; Exton and Shinwell, 2018). A particular strength of indicators derived through a statistical approach is that definitions are applied that are consistent with destination Systems of National Accounts, SNA (UNWTO, 2008) and selected in consultation with statistical offices worldwide, facilitating comparison and more transparent discussion (Stiglitz et al. 2009a,b). A dashboard of interlinked indicators developed with the approach has evolved into the Better Life Index, an interactive web platform that allows individuals and communities to set their own weights on each of the different dimensions of the wellbeing framework (Durand, 2015; Balestra, Boarini and Tosetto, 2018). The Better Life Index encourages residents to participate in the debate on destination progress, and to identify what matters most in their lives. Policy makers can extract this information for socio-economic planning purposes. Although a number of measures of wellbeing are still under development, the quality of data and the empirical robustness of measures may be expected to progress over time (Durand, 2015; Algan, 2018; Stone and Kreuger, 2018).

While tourism researchers have recognised the relevance of each of the various dimensions of well-being that comprise the framework (Uysal et al, 2012a,b,c), most studies have failed to consider these well-being dimensions in a holistic way, connected within a wider sustainability framework. The Better Life framework can provide robust resident well-being measures for destination management and for policy making regarding tourism development and for the grounding of well-being measures that can be applied in tourism research and analysis. Importantly, the framework forces the tourism researcher to confront stocks and flows associated with the four capitals, relevant to both current and future well-being. In the following section we discuss how this framework may be used as a platform to advance our knowledge of the links between tourism development and resident well-being outcomes.

#### 4. Tourism and Resident Well-being

A brief overview is appropriate at this stage to identify the potential relevance of the *Better Life* framework to studies of resident well-being.

#### 4.1 Current Well-being

Tourism and Material Well-being (income and wealth, jobs and earnings, housing). Tourism generates income and wealth through job creation at local and community levels, stimulating local production and contributing to household incomes, material standard of living and economic security. Tourism related measures particularly relevant to resident material wellbeing include tourism contribution to household net adjusted disposable income per capita, to net wealth per household, tourism contribution to GDP and tourism employment, hourly earnings, average earnings in tourism compared to national average, and tourism productivity (UNECE/Eurostat/OECD (2013; Laimer, 2017). While these are not measures of well-being per se, they are indicative of changes in living standards that underpin changes in material wellbeing (Radermachier, 2015). The production of goods and services including material assets such as housing and different types of infrastructure substantially affect individual well-being through better health, social connections, access to jobs and public services, higher life satisfaction, family functionings and personal security resulting from greater ability to live in cleaner and safer locations (Helliwell, Layard and Sachs, 2020). Economic growth has been found to be an important driver of well-being at early stages but becomes less significant later in the development cycle (Sachs, 2019).

Tourism creates jobs. Paid work matters for quality of life partly because it gives identity to people and opportunities to socialise with others (Krekel, Ward and De Neve, 2019). Employment opportunities in tourism enable individuals to fulfil their ambitions, to develop skills and abilities, to feel useful to society and to build self-esteem (Cazes, Hijzen and Saint-Martin, 2015). However, job opportunities *per se* say nothing about the fairness of different wages or the conditions of the workplace. Tourism is notorious for gender pay gaps, low wages, poor working conditions, irregular hours, casual rather than full time jobs, and layoffs in the off season (Mahadevan and Suardi, 2019). More research effort is now being placed on the characteristics of a 'decent job' and tourism's role in providing this (Winchenbach, Hanna and Miller, 2019).

Health status. Tourism is often characterised as a 'life-enhancing' activity (Uysal et al, 2012a). Good health allows individuals to gain employment, earn income, participate in community life, to become educated, to be creative, to socialise with others and participate in community life and to foster a productive workforce that supports economic growth (UNECE, 2016; Llena-Nozal et al, 2019). Tourism and recreational activities (recreation, adventure, sports, sightseeing) can promote the physical and mental health of residents (Pyke, Hartwell, Blake and Hemingway, 2016). Tourism supply also includes built facilities

specifically devoted to health and well-being improvement such as spa tourism and medical tourism that can be accessed by residents as well as tourists. Indicators with potential to inform tourism development include infant mortality rate; maternal mortality rate; life expectancy at birth and at 60; self-reported satisfaction with health status; mental health; incidence of contraction of transmittable diseases.

Education and training. Skills acquisition is both a basic need and an aspiration of humans. It directly links with job access, higher productivity and economic prosperity each of which drive well-being (Llena-Nozal et al, 2019). In its effects on well-being, education is associated with better health, greater equality of income and wealth, lower crime and delinquency rates, higher civic participation, tolerance between people, appreciation of cultural diversity, volunteering and charity giving, higher rates of self-reported happiness and deeper personal fulfilment (Putnam, 2001). Education also enhances people's understanding of the world they live in, and perception of their ability to influence it, directly enhancing subjective well-being (Helliwell, et al, 2020). Tourism education is argued to have significant potential to promote values associated with well-being such as sustainability, inclusiveness, a culture of tolerance, peace and non-violence, and all aspects of global exchange and citizenship (Boluk, Cavaliere & Duffy, 2019). Training and learning opportunities in tourism are crucial for preventing skill obsolescence, reducing the risk of unemployment, and increasing job satisfaction, work motivation and chances for promotion (Hsu, 2018), and thus integral to tourism workers' well-being. Indicators with potential to inform tourism development include enrolment rates of pupils in education at different levels; adult literacy rates; competencies of the adult population (skills); cognitive skills of 15-year-old students (to achieve their own goals, to develop their knowledge and potential).

Work- life balance reflecting a state of equilibrium between people's work and their private lives, is important for people's well-being. The amount of time that people can devote to leisure, personal care, family life and to other non-work activities help individuals remain healthy and work more productively. Work-life conflicts cause psychological distress and demotivation (OECD, 2017). Leisure time spent outside productive activities, has a major impact on personal well-being, happiness and life satisfaction (Helliwell et al, 2020). Work-life balance is particularly dependent on gender equality and the level of income and wealth permitting various types of leisure activities. Research has demonstrated the relevance of the

quality of the physical and social environment of the workplace for well-being, with personal recognition, task discretion, social support and job satisfaction shown to reduce absenteeism and job turnover (Cazes et al, 2015). Frameworks to measure quality of the working environment (Shinwell and Shamir, 2018; De Neve, Krekel and Ward, 2018) can play an important role in linking worker well-being to tourism firm progress in achieving sustainable operations. Indicators that tourism researchers could employ in study of tourism's contribution to well-being in respect of work-life balance include average working hours and time periods required at work, proportion of time spent on unpaid domestic and care work, time devoted to leisure and personal care, workplace arrangements that provide various types of formal leave, flexibility of working hours and opportunities for volunteering (Deery, Jago, Harris and Liburd, 2018).

Social connections. The nature of social interactions and quality of personal relationships impacts on levels of trust within communities an important driver of other outcomes including finding a decent job, reduction of inequalities, democratic participation, crime reduction and health and well-being (Algan and Cahuc, 2014). Since people are happier when they trust each other and their shared institutions, social connections are valuable in themselves as sources of subjective well-being (Diener, Biswas-Diener and Lyubchik, 2018). Social networks can provide material and emotional support in times of stress. In tourism development, important social connections are associated with cultural identity of host communities and sense of place and belonging. Networks, particularly those based on shared norms, values and understanding, facilitate co-operation within and between tourism stakeholder groups (van der Zee and Vanneste, 2015). Productivity growth in tourism depends on the quality of a destination's business networks and supporting industries. The large and growing tourism-related sharing economy can also contribute to social well-being (Cheng, 2016). Tourism related indicators of social connections could include social network support (share of people with friends or relatives to count on in times of trouble); share of individuals relying on private networks to find tourism jobs; quality of public services associated with tourism; resident sense of belonging; extent of loneliness (Algan, 2018).

*Civic engagement and governance* gives residents a political voice in the society where people live, allows them to have a say in decisions that affect their lives, and contribute to deliberations that shape the well-being of communities (Durand, 2015). Participation in

community life allows individuals to develop a sense of belonging and trust in others as well as enhancing the accountability and the effectiveness of government institutions and public policy (Algan, 2018). This can also help to reduce corruption in business dealings. Trust in institutions and public services is an important driver of social well-being (Sachs, 2019). Good governance is needed to translate people's voice into policies that support active citizenship and aspirations for a good life, underpinning the global partnership for sustainable development (Durand and Exton, 2019). Due to its cross-sectoral nature, tourism has the ability to strengthen private/public partnerships and engage multiple stakeholders – international, national, regional and local – to work together to achieve common goals. By engaging local communities, tourism can foster multicultural and religious tolerance and understanding, laying the foundation for more peaceful societies (Moscardo et al. 2017). There are a wide range of indicators that tourism researchers can use to gauge the extent of civic engagement by residents. These include statistics on voter turnout in elections, trust in government institutions, perceived corruption in government, existence of formal and open consultation processes regarding development applications, participation in civil society groups/organisations, and the extent of volunteering (UNECE/Eurostat/OECD, 2013).

Environmental quality. The natural environment provides synergistic physical, mental and social wellbeing benefits. It is widely accepted that human identity and personal fulfilment is dependent on our relationship to nature (Newton, 2007. This relationship is related both to the human need to exploit the material components of environment for sustenance (objective wellbeing), and to nature's role in human emotional, cognitive, educational, aesthetic, and spiritual development (subjective wellbeing). MacKerron and Mourato (2013) found that happiness is greater in natural environments, even after controlling for a wide range of other factors. More recently environmental conditions were found to have a major impact on resident well-being, which is also positively correlated with the outcomes of environmental policies (Sachs, 2019). In tourism, environmental quality is regarded as an important 'pull factor' enabling tourists and residents to experience nature directly (eg. sightseeing and camping) or indirectly (from knowledge that nature continues to exist). Tourism development affects people's ability to access environmental amenities to undertake recreational and nature based activities that improve the work-life balance and social connections (Durand, 2015). Researchers have highlighted how outdoor adventure tourism facilitates reconnections to nature, offering potential wellbeing impacts and pro-environmental attitudes and behaviours (Hanna, Wijesinghe, Paliatsos, Walker, Adams and Kimbu, 2019).

Personal safety and security embraces both actual and perceived economic and physical safety. Risks of violence and/or crime, endanger an individual's physical safety. Living in a secure environment is an important driver of well-being (Nilson, 2018). Of particular relevance today is the risk to public health and mortality that the COVID-19 pandemic poses globally with global consequences for both individual and social well-being. Even the subjective perception of threats associated with potential loss of life and property, stress, anxiety, feelings of vulnerability, can effectively undermine an individual's quality of life (Nilson, 2018). Growing economic insecurity and inadequate safety nets make people less willing to take risks, undermining economic growth and entrepreneurship and affecting levels of well-being. Examples of risks from the economic domain affecting individual and social well-being include degree of vulnerability to economic loss, economic recession, job loss or health problems (Hacker, 2018). A safe and secure environments is an important determinant of destination competitiveness supporting growth in tourism induced income and employment (Crouch and Ritchie, 2012). Occupational health and safety is an important determinant of well-being in the workplace (De Neve et al, 2019). Indicators that tourism researchers can use to study tourism's contribution to personal safety and security include crimes against property and person, feelings of safety in local community, confidence in law enforcement agencies including tourist police, workplace occupational health and safety; share of individuals with no access to social protection; effectiveness of social security system in support of residents in times of need (UNECE/Eurostat/OECD, 2013).

Subjective well-being. No assessment of quality of life can be complete without taking into account the overall subjective well-being of persons (Diener et al, 2018). De Neve and Sachs (2020) found a strong correlation between self-reported measures of well-being and income per capita, health and educational status, social support. The tourism research effort generally has emphasised life evaluation (how satisfied one is with one's life) with less attention to emotion (happiness or depression) and eudemonia (meaning and purpose in one's life). At a social level, subjective well-being measures are powerful indicators that can signal wider problems in people's lives, capture prevailing sentiment and predict their behaviour. As argued above, tourism researchers should more attention to the links between subjective and objective measures of well-being.

#### 4.2 Future Well-being

The well-being indicators identified above, reflecting current material living conditions and quality of life drivers must be complemented by indicators reflecting the sustainability of well-being. Changes in stock levels affect future well-being (UNU–IHDP & UNEP, 2014). From an intergenerational perspective, sustainable development is development that ensures for future generations a level of human well-being at least equal to that prevailing today. The so-called 'capitals approach' to measurement of sustainability, consistent with the *Beyond GDP* approach, examines the evolution over time of the different stocks of capital that sustain the various dimensions of well-being, and in particular at how decisions taken today affect future levels of these stocks (Arrow, Dasgupta, Goulder, Mumford & Oleson, 2012). Four types of capital stocks- economic, human, social and natural are essential to sustain well-being outcomes over time (Costanza, Alperovitz, Daly, Farley, Franco, Jackson, Kubiszewski, Schor and Victor, 2013; World Bank, 2018; Stiglitz et al, 2018). The different capital stocks are interdependent and work together to support or reduce well-being into the future. This approach thus allows for the analysis of the fundamental trade-offs underlying all discussions about sustainable development. (UNECE/Eurostat/OECD, 2013).

Economic (produced) capital in the tourism industry includes the private and publically provided facilities and services that are available to residents as well as visitors such as accommodation, restaurants, transport networks, telecommunications, airports, shipping terminals and shopping complexes, as well as the financial capital necessary for the development of tourism support services such as water, energy, sustainable production and pollution control measures. Increases in economic capital lead to growth in GDP and productivity increasing material well-being. The range and quality of goods and services on offer also makes for a more interesting and vibrant destination presenting opportunities for improvement in resident well-being (Kline et al, 2019). While tourism expansion can help fund infrastructure improvement, estimates of changes in well-being due to tourism expansion would need to take account of higher levels of public indebtedness and/or higher taxes to pay for increased infrastructure and services. Higher levels of public debt may result in reduced public expenditure on essential community services resulting in reduced community well-being overall.

Human capital refers to the knowledge, skills and attributes embodied in each person that facilitate the creation of individual, social and economic well-being. An increase in human capital and equality of its distribution, has positive effects on the economy and on the wellbeing of society, enhancing productivity, the ability to innovate and equality of opportunity (Pelinescu, 2015; Angrist, Djankov, Goldberg, Koujianou and Patrinos, 2019). The main type of investments in human capital undertaken by households and governments is through health care and education. The health status of society directly impacts on resident social and leisure activities, as well as continuing workforce engagement in employment (UNECE, 2016). The education system contributes to human well-being currently and in the future through higher per capita production and productivity and ability to innovate. Individuals with a high level of human capital (either a high education level or good health) show higher levels of subjective well-being, with deeper personal fulfilment, even when controlling for income and other factors (Helliwell et al, 2019). The education system helps to develop the knowledge, skills and attributes of the tourism workforce into the future. By transmitting knowledge through generations, education is the basis of human civilisation and has a major impact on the quality of life of individuals and its sustainability over time (Diener et al. 2018).

Social Capital is an all-encompassing concept for the relationships among and between individuals and institutions (Algan, 2018). Social capital and trust are increasingly recognized to contribute to the wellbeing of people (Hamilton et al, 2016). Repeated and positive interaction between people builds up trust, fashioning the norms and values which are vital to the proper functioning of societies over time (Moscardo et al., 2017). The creation of social networks may have a direct well-being effect as individuals who are strongly embedded in societal networks tend to be happier and more satisfied with life than those who are less well integrated in society (De Neve and Sachs, 2020). Social networks influence individual health and higher life expectancy, gender relations, workplace productivity and economic performance, neighbourhood vitality and public safety, formation of pro-social and proenvironmental norms and values, personal safety and security and sense of belonging (Putnam, 2001; Algan, and Cahuc, 2014, Algan, 2018). Networks which promote environmentally friendly norms and values can result in more sustainable use of natural resources (Hanna et al., 2018). Social capital in the tourism industry includes the various networks, associations, joint ventures, strategic alliances, festivals and events, formed to meet consumer needs as well as the community spirit of sharing, collaboration and volunteering that drives the welcoming of visitors and expansion of new forms of tourism supply

(Moscardo,2012; Nunkoo, 2017). Tourism-related cultural activities such as event and festival attendance activities and mixing in public spaces can play an important role in both preserving and building social capital (Mair and Duffy, 2018). Key factors necessary for enhancing destination community social capital, include effective local resident engagement in tourism planning, the need for strong tourism leadership, and a desire to find different models for local and regional tourism organizations (Moscardo, 2017).

Natural capital refers to the earth's natural resources, land, species diversity as well as the ecological systems that provide goods and services necessary for the economy, society and all living things (UNWTO, 2018). Ecosystem services, connecting natural capital to people's well-being, comprise four main types of services: provisioning services (supplying materials and food), cultural services (scientific, recreational, aesthetic, educational and spiritual enrichment), regulating services (climate control, air and water filtration) and supporting services (carbon storage, waste assimilation), essential to the biodiversity necessary for the health and survival of all species (Radermachier, 2015). Given that a destination's quantity and quality of natural capital is a core tourism resource (Ritchie and Crouch, 2012), responsible environmental management can support tourism growth while providing a range of services to improve resident well-being (Azara, Michopoulou, Niccolini, Taff and Clarke, 2018).

Not all of these forms of capital are equally well understood, either conceptually or empirically. The dominant approach to measurement is the 'hybrid capital approach' that employs both physical and monetary measures of stocks and flows (UNECE/Eurostat/OECD, 2013; Costanza et al, 2016; Stiglitz et al, 2018). The favoured approach to asset valuation is based on the concept that the value of an asset should equal the discounted stream of the expected net returns over its lifetime (Radermachier, 2015; UNECE, 2016).

The discussion above suggests that tourism stakeholders can use the *Better Life* framework as a platform to provide ongoing input into well-being research, advancing our understanding of the links between tourism development and resident well-being. Additional well-being dimensions and indicators can gradually be added to the framework in Table 1, according to particular resident values in different destinations. Destination Management Organisations (DMO), industry and tourism researchers can play an important role in development of various existing and 'experimental statistics' well-being outcomes in tourism contexts.

Importantly, some statistical measures can be given a well-being 'touristic spin' to better inform DMO about well-being components of policies affected by tourism. To gain legitimacy for any chosen set of tourism related well-being indicators employed in a given destination, a visioning process with community consultations and public surveys can greatly facilitate the development of tourism relevant well-being metrics that are particularly appropriate to residents (Boley and Perdue, 2012). The *Better Life* framework can thus serve both to inform debate on the most relevant dimensions of well-being among destination residents and to guide policies that improve resident well-being in any destination. As improved measures are developed and the public's preferences are able to be more rigorously ascertained and weighted, the framework can serve as a guide for the quantitative assessment of the trade-offs between alternative tourism policy options and outcomes that the public or different community groups are willing to accept (Au and Karacaoglu, 2015). This type of exercise is already developed in several projects of sustainable tourism indicators, for example ETIS (2020)

## 5. Implications for Tourism Research and Practice

Several themes arising from the *Beyond GDP* approach may be expected to drive sustainability theory development and policy making into the future. If tourism stakeholders are to give serious attention to the implications of the *Beyond GDP* approach and its application of a 'well-being lens' to guide and assess destination development, a number of challenges must be met. Confronting these challenges implies that stakeholders must address several different notions of 'beyond'. Several of these are mentioned below.

#### **Beyond Perceptions**

Tourism research has tended to focus on subjective measures of tourist and resident well-being, collecting relatively easily collected survey data on 'perceptions' and 'satisfactions' (Uysal et al, 2012a; Hartwell et al, 2018). However, more robust measures of current and future well-being beyond resident perceptions are necessary if resident attitudes or perceptions are to link with the different drivers of well-being. In addition to a need to explore the roles of different elements of subjective well-being in assessing tourism development (life evaluation, experiences and eudomonia), tourism researchers should devote more effort to include objective dimensions of well-being into the assessment exercise, and to

analysing the links between the subjective and objective dimensions of well-being. Indeed future well-being, dependent as it is on changing levels and qualities of capital stocks, cannot be addressed in detail in the absence of objective (physical or monetary) measures to complement subjective measures.

## Beyond the 'here and 'now'

The *Beyond GDP* agenda implies that tourism researchers engaged in sustainability study must distinguish and balance two forms of distributional justice - *inter-generational* and the *intra-generational*. The *Better Life* framework can help tourism stakeholders to organise indicators of both forms of distributional justice for public accounting and policy development (Frieling, 2018; De Smedt et al, 2018).

Intra-generational well-being, addresses the distribution of benefits and burdens between different groups within one destination as well as their distribution at the global level. There is growing evidence that individual well-being depends not only on absolute levels of income and wealth but also on inequalities in its distribution (Lustig, 2018). Metrics under development within the Beyond GDP approach focus on people and outcomes at the individual and household level displayed in Distributional National Accounts (Alvaredo, Chancel, Piketty, Saez and Zucman, 2018), identifying inequalities in wealth and income (vertically and horizontally) associated with different groups in society (Deere, Kanbur and Stewart, 2018). Generation of this type of information should be strongly supported by tourism stakeholders, given its substantial relevance to estimating tourism-induced development effects on resident well-being. Tourism researchers should also look beyond inequalities in outcomes among destination residents to examine inequality of opportunity (Cole and Morgan, 2010).

Regarding *inter-generational* distributive justice, the *Better Life* framework requires going beyond the present to consider the essential resources that are needed to sustain well-being in the medium and long-term. Tourism research needs to pay more attention to the effects of tourism- induced effects on future as well as current well-being. To properly assess tourism's role in path development researchers must focus on the links to well-being of changes in each of the four capitals and the need to understand the interactions, substitutability, complementarity and trade-offs between them (De Smedt et al, 2018). The *Better Life* 

framework can provide the basis of a practical set of tools for policy analysts to more clearly incorporate the four capitals into well-being assessment generally and for tourism specifically. Given the additional challenge to identify the various ways in which capital stocks and flows contribute to well-being, progress in this area may take some time to deliver on its promise.

#### Beyond the market

Assessing the sustainability of a given tourism development path ideally requires monetary estimates of changes in the capital stocks that contribute to people's well-being. While measurement of economic capital, reliant on market prices, is fairly straightforward. A well-established range of methods exist to estimate the value of capital stocks in the absence of market prices (UNECE/Eurostat/OECD, 2013). Ongoing research is developing better measures of human capital (Angrist et al, 2019), social capital (Hamilton et al. 2016; Algan, 2018) and natural capital (Hamilton, 2014). On the capitals approach, measuring sustainability requires focus on the net change in the volumes of the stocks of various assets, weighted by their 'shadow prices', a monetary value reflecting the true opportunity costs of all activities, taking into account all generated externalities and public goods. (De Smedt, Giovannini and Radermachier, 2018). Various techniques can be used in shadow pricing (Costanza et al, 2013). These techniques are familiar to tourism economists and have been employed in a variety of evaluation contexts (Dwyer, 2012).

In any case, whatever measures are used to estimate capital stocks and flows, additional indicators must be selected to reflect the wellbeing effects of capital that cannot be captured in monetary measures. Further work is required to move from the conceptual framework of the capitals approach to a practical set of tools for policy to enhance resident well-being outcomes associated with tourism development, current and future. Estimating the effects of changing capital stocks on well-being is an additional challenge that researchers are now addressing in greater detail (De Neve and Sachs, 2020).

#### Beyond Weak Sustainability

Achieving sustainable tourism development involves making important decisions about what types of capital can be used up in the present and what must be preserved for the future. The

weak sustainability view implies that the four types of capitals are interchangeable in terms of maintaining well-being over time. Thus, changes in the different types of capital can be traded off for each other- any one form of capital can be run down provided 'proceeds' are reinvested in other forms of capital (Dietz and Neumayer, 2007; Arrow et al, 2012). In contrast, strong sustainability asserts that some types of capital (particularly natural capital) are to a greater and lesser extent non-substitutable in the production process (Dietz and Neumayer, 2007; Costanza et al, 2013). Over the longer term, a good quality of life, indeed life itself, would seem to be unattainable if stocks of natural, human and social resources, particularly ecosystem services, social networks, culture and heritage, continue to be depleted.

While a large proportion of tourism researchers appear implicitly to adopt a strong sustainability view, the theoretical and practical implications of applying strong sustainability conditions in tourism planning and development have been unduly neglected (Collins, 1999). As a result, tourism researchers have paid little attention to the specific costs and benefits associated with a strong sustainability stance underpinning tourism development or its consequences for well-being. At bottom, permissible trade-offs between the different types of capital stocks cannot be determined without reference to the outcomes for current and future well-being (Pelenc and Ballet, 2015). To address these issues, tourism researchers need to better appreciate the essential dynamic dimension of sustainable development, unable to be captured within static models (Costanza et al, 2013).

## **Beyond CSR**

The *Beyond GDP* agenda on responsible business conduct (OECD, 2011) calls for a new mindset that moves away from the standard Corporate Social Responsibility (CSR) injunction to 'do no harm' towards an approach of 'doing good'. Beyond financial returns, firms should strive to create long-term value for all their stakeholders generating various other kinds of societal wealth through activities such as creating mutually beneficial, 'flourishing' relationships with stakeholders; adopting long-time horizons for slower growth; building community, and support for personal growth with positive leadership (Mackey and Sisodia, 2014). This implies that social and environmental impacts of firm operations and well-being outcomes should be built into firms' mission statements and business models, rather than being addressed as 'optional extras' (Dwyer, 2018). However, there is currently no common

understanding and practice on how to assess the impacts of businesses on people's well-being and destination sustainability (Cazes et al. 2015; Shinwell and Shamir, 2018). Opportunities exist for tourism researchers to extend to businesses the well-being lens that is core to the *Beyond GDP* approach while exploring the advantages of different types of business models that firms can adopt consistent with this approach.

#### Beyond silos

Policymaking often operates in silos, with decision makers in different government departments and different industries focusing on the resources and outputs for which they are directly accountable and without reference to the wider impacts of their actions in areas not directly under their responsibility (Bowen, Zubair and Altinay, 2017). The *Better Life* well-being framework can form the basis for the accountability procedures and feedback, articulating trade-offs between policy outcomes and enhancing dialogue and cooperation (Durand and Exton, 2019). Adopting the wellbeing framework, promoting more comprehensive evaluations of the impact of specific policies on people's lives, can allow DMO and other tourism stakeholders to play a more substantive role in the wider process of economic development. It can also support UNWTO advocacy of the value of tourism alongside other industries as a driver of socio-economic growth and development, and its inclusion as a priority in national and international development policies (UNWTO, 2018). Ultimately, breaking down the silos in fulfilment of the *Beyond GDP* agenda, requires building well-being into the machinery of government, and the tools used to take decisions.

#### **Beyond Borders**

Going beyond the silos in respect of well-being study also implies a greater effort to measure the international aspects of sustainable development, beyond destination borders. In an increasingly globalised world, a destination attempting to enhance the well-being of its citizens will also affect the well-being of citizens of other countries (UNECE/Eurostat/OECD, 2013). A classic example is that of a destination's carbon emissions, adding to global warming. The sustainability challenge is thus of global importance as well as destination importance since unsustainable development can have transboundary effects on human well-being.

So far as is possible, internationally accepted concepts, classifications and methods should be used in the compilation of statistical data to promote the consistency and efficiency of statistical systems across all destinations. With the support of the United Nations Statistics Division, the UNWTO (2017, 2018) has launched the initiative *Towards a Statistical Framework for Measuring Sustainable Tourism* (MST), an important step towards stabilizing international standards in the measurement of tourism sustainability, capable of supporting the development of reliable, internationally comparable quality statistics. Development of the MST is being informed by indicators relevant to each type of capital stock and an important step towards providing a balance sheet of assets to be viewed alongside the GDP derived from destination SNA. Much more research is required, however, to incorporate well-being measures into the MST as essential necessary value data for policy making affecting both the present and future generations. DMO, through the UNWTO, can play an important advocacy role in encouraging national statistical agencies and international organisations to harmonise their well-being indicator sets, so that they are better suited for international comparison (Durand and Exton, 2019).

#### Beyond the Barriers

If measures of resident well-being are to make a real difference to people's lives, they must be explicitly employed in the tourism policy-making process. Important barriers to employing well-being frameworks in policy settings include lack of political imperative or government support for development of well-being measures 'Beyond GDP'(Costanza et al, 2009; Durand and Exton, 2019). The neoliberal belief that growing GDP is the prime goal of development is perhaps the biggest barrier to the development of better measures of destination progress (Stiglitz, 2018). Institutional resistance to change often exists in organizations and institutions with a vested interested in maintaining the status quo—this includes industries and businesses whose financial success is predicated on continually increasing economic activity as well as those institutions that are charged with collecting, managing, and reporting on the standard indicators (Dwyer, 2018).

Efforts to develop statistical capacity in tourism and/or well-being may also compete with other statistical priorities. The resources available to governments in developing countries may also limit the capacity of statistical services to produce and manage comprehensive data on many aspects of the well-being framework (Boarini et al, 2014; Durand and Exton, 2019).

The development of new well-being measures that are more tourism- focussed will be challenging in destinations with limited statistical resources and competing statistical demands or where many well-being data are not collected routinely or only exist outside the national statistical system. A large share of tourism related activity takes place in the informal economy and thus beyond the scope of institutionalised channels of data collection. The data context for development of well-being measures in developing countries is particularly challenging.

#### 6. Conclusions

This paper has argued that the *Better Life* framework, developed within the *Beyond GDP* approach, provides a sound and relevant theoretical foundation for well-being study, with policy relevant economic, quality of life and sustainability indicators. While the *Better Life* well-being framework does not specifically address tourism, the suggested measures are capable of informing tourism stakeholders as to the essential role that well-being considerations might play in industry and wider economic development both currently and in the future. Many of the identified indicators will change over time as better measures are developed, and as destination policy makers reach agreement on indicators that better capture conditions in the various dimensions of residents' lives. DMO, industry and tourism researchers can play an important role in indicator development in general and particularly as regards the relevance of various existing and 'experimental statistics' for tourism contexts. In turn, advances in tourism-related measures can inform measures developed within the wider *Beyond GDP* agenda.

The opportunity now exists for tourism researchers to explore both the theoretical challenges associated with indicator development and the practical implications of the *Better Life* framework for policy making linked with destination management. Further research is required to better understand the links between tourism development and resident well-being, both current and future. Finally, if tourism stakeholders are to give serious attention to the application of a 'well-being lens' to guide destination development, a number of challenges must be met. This will require attention to each of several dimensions of 'beyond' and their implications for tourism well-being theory and practice.

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#### **Table 1 Sources of Well-being**

#### **Sources of Current Well-being**

**Income and wealth** are essential components of the well-being of individuals and societies; they measure the economic resources that people can use to satisfy various human needs and wants and that protect against vulnerabilities and risks of various types.

**Jobs and earnings.** The availability, wage levels and quality of jobs are each relevant for people's well-being, via increased command over resources

**Housing**. Quantity and quality of housing is central to people's ability to meet basic needs, an important determinant of health and subjective well-being.

**Health status**. Physical and mental health is important in itself for people's well-being but also allows the performance of a range of personal and social activities that contribute to their well-being.

Education and training skills acquisition is both a basic need and an aspiration of all humans, as well as being instrumental to achieve many other economic and non-economic well-being outcomes

**Work-life balance** is important for people's well-being. The amount of time that people can devote to leisure, personal care, family life and to other non-work activities help individuals remain healthy and productive.

**Social connections**. Social networks provide material and emotional support in times of need, as well as providing access to jobs and other opportunities.

**Civic engagement and Governance**. Civic engagement gives residents a political voice in their society and to contribute to deliberations that shape the well-being of communities..

**Environmental quality**. The quality of the natural environment where people live and work is important in its own right and also matters for people's health and their ability to undertake activities involving access to environmental amenities and quality recreation.

**Personal Security**. A person's economic and physical security has both observed (objective) and perceived (subjective) dimensions of well-being associated with potential loss of life and property, stress, anxiety, feelings of vulnerability.

**Subjective well-being.** Extends beyond the idea of 'happiness' to cover three elements: *Life evaluation* - reflective assessment on a person's life or some specific aspect of it. *Experiential* – personal feelings or emotional states, positive or negative, that typically apply to shorter time periods. *Eudemonia* – a sense of meaning and purpose in life, or good psychological functioning such as flourishing or thriving.

#### **Sources of Future Well-being (Sustainability)**

**Economic (produced) capital** includes machines and buildings, tools and equipment, transportation and physical infrastructure as well as financial resources such as stocks, bonds, bank deposits and other financial assets owned by households, businesses and governments.

**Human capital** refers to the knowledge, skills and attributes embodied in each person that facilitate the creation of individual, social and economic well-being. It also includes the provision of services that support general well-being, as well as the physical, emotional and mental health of individuals.

**Social capital** comprises the social connections, attitudes, norms and formal rules or institutions that contribute to societal well-being through coordination and collaboration between people and groups in society. It includes the trust that is built through the repeated interactions between citizens

**Natural capital** refers to the destination stock of renewable and non-renewable natural resources. It includes individual assets such as minerals, energy resources, land, soil, water, air, flora and fauna, as well as broader ecosystem services

Source: Based on OECD (2011, 2013); Durand and Smith (2016)