

Implications of the New Balearic Islands Circularity Law for Tourism Practice and Research

Christopher Moon¹, Julio Batle² and Matilde Morales²

¹Middlesex University, London

²UIB, Spain

ac.moon@mdx.ac.uk

julio.batle@uib.es

matilde.morales@uib.es

Abstract: In February 2022 the Balearic Islands government approved a new law to introduce Circular Economy (CE) principles into the Tourism Industry (Decree Law 3/2022, of Urgent Measures for the Sustainability and Circularity of Tourism in the Balearic Islands, Mallorca Daily Bulletin, 2022a) including fines for non-compliance. As a result, the Balearic Islands could be considered as the world's first circular tourist destination. This paper thus explores the preparedness of the Tourism Industry in the Balearics to implement the circular principles, with planned interviews of a sample of tourism businesses. The paper includes a review of the new CE principles and discusses the implications of them for the tourism industry and potential impact on tourism from a Triple-Bottom-Line perspective i.e. impact on social, environmental and economic criteria.

Keywords: sustainable tourism, circular economy, new Balearic Tourism Law

1. Background

The Balearic Islands is a popular tourist destination and known for its innovative practices related to tourism (Batle et al., 2018). Indeed, this prior research investigated various Social Innovation (SI) features (partnerships, synergies, circular processes, systemic approach) in order to consider SI policy and practice from a holistic approach. Concern had been raised in the media and government as to the impact of 'massification' on the Balearic Islands including environmental degradation and general decline in the quality of tourism assets (Moon, 2018). Various measures were thus introduced by the Balearic Islands government to improve the stock of tourism accommodations, including a greater range of establishments, higher frequency of environmental audits and certifications, and upskilling of the tourism labour force. More recently, the impact of Covid on the tourism industry resulted in a massive decline in vacations booked (80% decline in tourists cited by Mitermiqué, 2021) but with some improvements to the environment (Rume and Islam, 2020). Looking beyond Covid, locals have apparently been calling for a move away from 'balearización' and for more sustainable approaches (Smith, 2020). This sets the background to the introduction of the new Balearic Islands law on circularity. The first of a number of planned seminars to explain the new law to tourism businesses was convened in Arenal on February 17th 2022 (Mallorca Daily Bulletin, 2022b) see Figure 1. This seminar highlighted the new law as addressing the quality of tourism service and also the quality of work and working conditions.



Figure 1: Meeting at Arenal to explain the new 'circularity' law

2. The new 'circularity' law

The new law governs sustainability and circularity (Goodwin, 2022) and builds on prior measures to reduce plastic waste and food waste, and to reduce energy and water consumption, and applies to all companies, tourist establishments, hotel accommodations, tourist apartments and rural tourism. The new law goes further though and includes measures to temporarily stop new building in Mallorca, Ibiza, Formentera and Menorca until 2026, steps to decarbonise energy systems, and improve health and safety by installing automatic beds to reduce back strain (Muiña and de Santamaría García, 2022). It seems that the legislation has been a wake-up call to the tourism industry which now has to comply with specific practical measures to avoid fines. Table 1. outlines the key principles and actions required.

Table 1: The new Balearic circularity laws in summary (source, the Authors)

Principle	Actions	Implications
Circular planning	Must draw up 'circularity plans' for up to five years. Tourist accommodations with minimum categories of four stars or four keys must prepare the first circularity plan before May 1, 2023. the rest of the tourist accommodations subject to this Decree Law, before January 1, 2024.	Plans must include the necessary activities, investments, actions and protocols to achieve the objectives set out in the circularity plan and its timescale, and resources necessary to achieve the proposed objectives.
	Hotel establishments and tourist apartments must eliminate thermal installations that work with fuel oil or gas oil. They must replace them with alternative energy sources that reduce environmental impact, unless a duly technical impossibility is accredited. The deadline for this implementation is May 1, 2026.	
	Hotel establishments and tourist apartments must have double pushbuttons or pushbuttons with interruption of flushing in toilet cisterns and water-saving devices in the taps of sinks, bathtubs and showers.	
	Hotels - whether city hotels, rural hotels or apart-hotels - and other establishments that have voluntarily obtained a star rating are required to ensure that all beds in the establishment (except extra beds) are mechanically or electronically elevatable.	Failure to comply with the deadlines imposed for introducing elevatable beds will be sanctioned with a fine of 500 euros for each elevating bed not installed on time.
Circular evaluation	The plans will be valid for a maximum of five years and must therefore be renewed periodically. It will be considered as illegal to advertise a tourist activity without having presented 'the responsible declaration of initiation of activity'.	Any establishment intending to market or advertise tourist establishments around the concept of circular business (which applies circular economy strategies, or similar), will have to obtain a certification issued by duly accredited entities to grant it.
	The signs of quality, maximum capacity and any other information referring to the exercise of the activity must be installed in the main access (in a place of easy visibility), in	The plans as well as their modifications, revisions and / or renewals, must be reflected in a document in physical or electronic format that must be available for inspection by the tourist

Principle	Actions	Implications
	accordance with the corresponding regulations	administration and the legal representatives of the workers.
	To qualify for a new category of wellness hotel the establishment must be 4 stars and have up to 50% of the surface area dedicated for wellness and beauty services.	

Positive feedback has already come from Trades Unions (Mallorca Daily Bulletin, 2022b) with the general secretary of the CCOO union's service federation, Silvia Montejano, stating "a great achievement". "We have to extend the months of work and to eliminate tourism seasonality. But this has to be done by taking the occupational health of workers into account and by relieving workloads." And, José García representing UGT, referring to the law's requirement for elevatable beds and to the benefit this will have for workers: "This...tourism law...takes into account the reality of workers in the sector." Concern over the new law has already been raised (Mallorca Daily Bulletin, 2022c) with the government opposition party leader, Partido Popular, Antoni Costa stating that whilst the PP support reform of tourism legislation and circularity in the tourism system "...We do not agree with impositions or prohibitions". There have also been some positive and negative blog comments from members of the public (see Table 2). What is now needed is a more thorough analysis of the proposed changes and their likely impact.

Table 2: Blog comments, collated by the authors from Mallorca Daily Bulletin, 2022d) blogs

Positive Blogs	Negative Blogs
I agree...QUALITY OVER QUANTITY.	This legislation is without doubt using a sledgehammer to crack a nut.
It actually makes sense. Mallorca is getting too full.	It appears to me that this legislation is merely an attempt to keep Mallorca in high demand, while maintaining or elevating the quality of offerings.
Well done, Govern! PROTECT THE ISLANDS.	I do not understand how this would make the quality or the sustainability better for the islands. New (renovated) hotels and new (renovated) private holiday lettings has a better quality and sustainability than the old ones.
Notwithstanding the pandemic, tourism is Mallorca has traditionally been approaching maximum sustainable levels. Add to that the handful of down market areas where high season crime, injury, and death rates were soaring, while attracting the cheapest of the cheap, and I think it's clear that changes needed to be made.	Target and question the old licenses instead. That must be the way to make a change in the right direction.

3. This study

We plan to interview a sample of tourism businesses to evaluate the preparedness of the establishments for implementing the new laws. Based on prior research by Batle et al., (2018) an opportunity sample of a variety of tourism businesses will be used as a foundation for grounded research allowing the personal views of business owners or managers to be surfaced using non-directive qualitative methodology. The research will ideally be conducted in the Mallorcan language, and or Spanish, to develop relationships with the interviewees based on mutual trust and understanding. The responses will then be translated into English for analysis and broader dissemination. The proposed research questions (RQs) are provided in Table 3.

Table 3: Research questions proposed for the interviews on circularity preparedness.

Proposed target businesses	Interview questions	Format for sample responses
Major hotel 4*, 3*, minor hotel 2*, 1*; other type of establishment e.g. tourist apartment, rural establishment, other.	Familiarity with the new circularity laws.	Present a written summary of the new laws and ask each interviewee to complete a Rating scale.
	Practical changes already introduced.	Interviewee to state in open-ended format.
	Practical changes planned.	Interviewee to state in open-ended format, prompt if necessary.
	Changes to policy.	Open-ended response.

Proposed target businesses	Interview questions	Format for sample responses
	Changes to personnel/training and development	Open-ended response but prompt, if necessary, from a list.
	Feedback on potential fines.	Open-ended response.
	Steps taken to change culture and or decision -making processes.	Open-ended response but can prompt based on 7 factor model (Moon and Bonny).
	Actual and Anticipated costs of changes.	Forced response with bandings but ask for explanation.
	Actual and anticipated benefits of changes.	Open-ended response.
	Name of certification agency to accredit circular actions.	Identified – add name. Or, not identified.
	Suggested improvements to legislation and its implementation.	Open-ended response. Plus, ask for feedback on the process of introducing the new law, and any other concerns raised.

4. Prospective areas for discussion

Tourism establishments have to continually balance the economic costs of business as usual (BAU) with the need to invest capital in innovation (Moon, 2020). With concern over climate change, businesses were initially asked to voluntarily reduce carbon emissions through various trade bodies such as WTO and various national and regional various national and regional governmental advisory reports. Now, mandatory measures are being introduced to ensure compliance with ever more stringent sustainability goals and targets. It is as though the damaging effects of Covid on the tourism industry have highlighted the vulnerability of the industry to sharp and unpredicted downturns and placed an increasingly urgent desire on governmental agencies to try and protect or future proof the industry from further damage. This may not be possible. However, the desire to recover from losses and the increasing urgency of tackling climate change have provided an opportunity to innovate and this has spurred governmental agencies to strike whilst ‘the iron is hot’. Wanting to recover from Covid, tourism establishments are desperate to re-establish reputations with tourists and tourism promotion bodies in order increase bookings and concomitant revenue. Adopting ‘circular economy’ principles is not a panacea but does provide an innovative opportunity to promote current and planned sustainability practices. The extent to which the practices of tourism businesses are adopted as leading edge or lagging behind though needs to be tested. Tourism establishments will want to secure positive promotions for their plans and avoid negative publicity for any potential or actual infractions. This research will provide initial feedback from a sample of tourism establishments on their preliminary views of the new legislation, their existing and proposed plans for compliance, and whether this compliance is stifling or encouraging innovation. We look forward to receiving feedback from ICTR 2022 on the draft design of the study and RQs.

This research explores whether tourism establishments faced with a new ‘circularity law’ have responded in different ways to the requirements of the legislation. The results will be limited to the sample provided but will serve as implications for the tourism industry as a whole. The social and environmental benefits of implementing the new legislation will be reviewed from the perspectives of the sample of tourism establishments along with estimated economic costs. Any resulting balance of sustainable innovation with economic cost can be difficult to reconcile. ‘Hard approaches’ to legislative compliance need to be balanced with ‘softer calls’ for commitment to the required changes. This is likely to stimulate a need for training and development of industry professionals, governmental agencies and NGO’s. There is likely to be an increase in compliance professionals needed to inspect premises but also a need to provide consultancy services to provide recommendations and guidance. This will include engineering services for technical assistance but also HR and allied services for implementing processes e.g. employee engagement. Further research will be needed on a broader sample to identify progress in achieving climate change targets as a priority but also the effects on the tourism industry in the short to medium term so that the new legislation and its implementation can be fine-tuned.

References

- Batle, J., Orfila-Sintes, F., and Moon, C. J., (2018), Environmental management best practices: towards social innovation. *International Journal of Hospitality Management*, 69. pp. 14-20. ISSN 0278-4319 [Article]
doi:10.1016/j.ijhm.2017.10.01.

- Berchin, I.I., and de Andrade, J.B.S.O., (2019), GAIA 3.0: Effects of the Coronavirus Disease 2019 (COVID-19) outbreak on sustainable development and future perspectives, *Research in Globalization*, 2 (2020), p. 100014.
- Goodwin, H., (2022), The Balearic Islands are legislating for sustainability and circularity. Retrieved from: <https://traveltomorrow.com/the-balearic-islands-are-legislating-for-sustainability-and-circularity/>
- Mallorca Daily Bulletin (2022a), Government sets out tourism model of the future, Editorial, retrieved from: <https://www.majorcadailybulletin.com/news/local/2022/01/19/96035/balearic-government-sets-out-tourism-model-the-future.html>.
- Mallorca Daily Bulletin (2022b), Tourist resort talks to explain the new tourism law, retrieved from: <https://www.majorcadailybulletin.com/news/local/2022/03/17/98705/tour-mallorca-resorts-order-explain-the-new-tourism-law.html>
- Mallorca Daily Bulletin (2022c), Opposition slam "phantom" Balearic tourism law, retrieved from: <https://www.majorcadailybulletin.com/news/local/2022/02/01/96661/new-balearic-tourism-law-criticised-phantom.html>
- Mallorca Daily Bulletin (2022d), No new tourist accommodation places in the Balearics for four years, retrieved from: <https://www.majorcadailybulletin.com/news/local/2022/02/11/97135/mallorca-tourism-new-accommodation-places-for-four-years.html>
- Miternique, H. C., (2021), SARS-CoV-2 effects on tourism. The recovery of regional complexity: When less means more: The case of Balearic Islands, *Research in Globalization*, Volume 3, 2021, 100051, ISSN 2590-051X, <https://doi.org/10.1016/j.resglo.2021.100051>.
- Moon, C. J., (2018) Mass Tourism vs. Sustainable Tourism in the Balearic Islands: Measuring Social and Environmental Impact in Mallorca. *Tourism Hospitality*. Open Access: THOA-118. DOI: 10.29011/THOA -118. 100018.
- Moon, C.J., (2020), Sustainable Tourism, Keynote address to 3rd International Conference on Tourism Research, ICTR 2020, Universidad Europea de Valencia, Spain, 27-28 March 2020.
- Moon, C.J., Batle, J., Morales, M., (2020), Eco-Innovation in the Hotel Industry: A Review of Seven Hotels using the UNWTO 2030 Sustainability Guidelines, Work in Progress Paper, ICTR 2020.
- Muiña, A, L., and de Santamaría García, I.S., (2022), Approval of Decree Law 3/2022, of 11 February, on Urgent Measures for the Sustainability and Circularity of Leisure industry in the Balearic Islands, Informative Alert – March 2022, Ernst & Young Abogados, S.L.P.
- Rume, T., & Islam, S., (2020). Environmental effects of COVID-19 pandemic and potential strategies of sustainability. *Heliyon*, 6(9), e04965. Retrieved from: <https://doi.org/10.1016/j.heliyon.2020.e04965>.
- Smith, J.R., (2020), Mass tourism has troubled Mallorca for decades. Can it change? Retrieved from: <https://www.nationalgeographic.co.uk/photography/2020/07/mass-tourism-has-troubled-mallorca-for-decades-can-it-change-0>.