

EXTENDED ABSTRACT

MEASURING THE IMPACT OF HOME SHARING USE IN SPAIN IN THE PRE-COVID19 CONTEXT: MADRID AND THE BALEARIC ISLANDS CASE STUDY

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The tourism industry joins the digital era driving to an increase in the offer of home sharing tourist use. The analysis of the negative externalities associated with this phenomenon supports this work in five keys. It synthesizes the regulations in two representative destinations: Balearic Islands and Madrid. The work presents a quantification of economic impacts at national level, with the Input-Output table for Spain 2015, noting that a change of behavior pattern of tourists' habits tends towards home sharing, which generates impacts of various signs from the perspective of national accounting.

Altogether, tourism related sectors of activity are considered to be a Spanish economic engine. Nowadays they face a set of challenges that have been originated by the combination of two phenomena, the digital and the social, providing tourists with the infinite possibilities of accommodation offered by tourist housing. Technological development has promoted the creation and expansion of these new ways of living tourist experiences, through the so-called digital platforms, which has allowed the massive entry of tourist housing in the traditional market.

The work has been structured as follows: a review of the most recent literature on this topic is carried out, then the current situation derived from the emergence of home sharing through digital platforms; subsequently, an analysis articulated in five keys is proposed: economic, social, labor, heritage and environmental, an analysis of the current situation in terms of regulation and regulations applicable to apartments and dwellings for tourist use is also presented, taking the two cases specifically, Madrid and the Balearic Islands, as representative destinations of two types of tourism. Once the problem has been dimensioned and the regulation analyzed, the linear multiplier Leontief's

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methodology is proposed to quantify the effects of the externalities previously exposed in the whole of the Spanish economy; and finally, it concludes by extracting a series of recommendations from all of the above.

The economic simulation is carried out by the application of the traditional input-output methodology, based on the Input-Output Table for Spain 2015 as the database, compiled by the National Statistics Institute. Then an analysis is developed at national level in order to quantify the magnitude of the studied phenomenon at an aggregated and national level. Specific sectoral information complements the previous analysis. Therefore, his research work seeks to analyze and verify the externalities that digital platforms have generated, a phenomenon that has appeared and expanded since the beginning of the 21st century, in the Spanish tourism market.

The simulation exercise provides information about specific changes affecting the performance of certain activity sectors as a part of the tourism industry. Some behavioral changes are introduced into the economic structure that lead to the consolidation of a new type of establishment, used as a homesharing option. Such new modalities for rentals together with digital platforms have broken into the Spanish tourist space exerting great tensions, not only on the environment and on cultural heritage, as various studies point out, but also an impact on economic equilibria. In order to quantify the impact of the phenomenon studied, a measurement is provided in aggregate terms, from a macroeconomic perspective of quantification of economic impacts, in order to identify the economic effects, on the different sectors of activity linked to tourism, resulting from the change in habits in tourist accommodation choice.

A synthesis of the regulatory norms is provided, in one hand of home sharing in a representative of “Sun and Beach” destination such as the Balearic Islands. On the other hand, a similar analysis is pursued in another tourist destination of an “urban, cultural and business” nature, such as Madrid.

Due to the above scenario, the normative framework, regarding the two representative tourist destinations is analyzed. An asymmetry is revealed in the regulatory framework applicable to both contracting modalities. Hence, the previous quantitative approach is complemented by an analysis of the laws that affect the two tourism formulas, whose panorama can be extrapolated to other autonomous communities of Spain. The regulatory details reflect the asymmetries of the Law regulating a changing tourism and point out certain touristic habits as a threat in terms of denigrating cities and beaches due to the high growth they are having due to the alternatives offered by digital platforms.

Moreover, it is observed that technology is a strategic instrument of tourism competitiveness and therefore it is a wise decision to continue investing in high technology, as well as to apply management tools for large volumes of information, and to deepen the application of the tools to anticipate, influence and propose formulas that adapt to the tastes and preferences of its guests.

It is valued positively how regulation through royal decrees, ordinances and regulatory mechanisms manages to order an activity, which in the early years lacked specific regulations and could have caused certain asymmetries between the different agents involved in the industry. It is seen that the legal requirements on the request for information by the authorities have increased. It is desirable that there be regulatory convergence

between autonomous communities and in line with tourist destinations in other parts of the world that precede us in experience and legislative practices.

In this sense, the current regulation of home sharing in the Balearic Islands is restrictive in most of the autonomous community, mainly in the capital. It is necessary to start from the basis that this type of housing arises after the 2010-2016 crisis, because it was a good time for homeowners to cushion the effect of the economic crisis, promoting the underground economy. In this situation, legal and fiscal control was necessary in order to end a reality that created unfair competition in the hotel sector, and at the same time a tourist saturation in some parts of the islands. The regulations were regulated in the Balearic Islands as the boom in tourist visits to Spain coincided with geopolitical conflicts in countries such as Egypt, Turkey, Greece in the Mediterranean environment.

Regarding Madrid regulatory system, dating March 2019, it incorporates a series of specific urban regulations, municipal ordinances, for the scope of application defined in them. Following the methodology of our study, we will extract some brief reflections: In economic terms, the figures indicate that the Spanish tourism industry is established year after year as an economic and social engine, subject of a constant transformation process.

After quantifying the impact on the main macroeconomic aggregates using Leontief's linear model, a debate arises regarding the change in the social behavior and profile of the tourist. It may be asked whether this new tourist displaces the hotel tourist or is it a type of tourist who would not otherwise travel. The figures resulting from the simulation exercise show that, although the two types of tourists may conflict, the aggregate economic effect is positive in macroeconomic terms, due to the interrelationships that exist between the different sectors involved in the Spanish tourism industry. Effects that are exerted from the double perspective of the backward and forward effects of the economic sectors. The magnitude of the situation requires entering into a dialogue with representatives of the agents involved since the simulation carried out informs us that the negative effects of the substitution of hotel demand for home sharing are not offset by the dragging effects on the related sectors. by introducing the tourist as a neighbor.

From a social point of view, a debate could be raised around aspects derived from the new tourist formulas that belong to the sphere of ethics and aesthetics. In terms of employment, the entire analysis highlights how dependent the Spanish labor market is on activity in the tourism sector. It is a sector that has the advantage of accommodating groups from low-medium qualification to high qualification. Being desirable to gradually achieve higher levels of qualification that are associated with competitive salaries. However, in order to achieve these objectives, human capital training courses should be promoted, ethical codes of labor conduct should be established in companies that counteract the shadow economy and irregular labor practices, as well as reinforce the obtaining of quality certifications in companies in the sector. In terms of heritage, it is necessary to regulate in historic centers and on coasts so that historical values, emblematic places and the healthiness of the beaches are not degraded due to tourist saturation. In terms of the environment, once we are aware of the problem derived from climate change, it is important to reach goal 8 of the SDGs in 2030, which sets out to put into practice policies aimed at promoting sustainable tourism.

This work has addressed this topic in which the analysis has been developed from different angles to provide a global, quantified vision and a final reflection.

Large hotel chains, as quality accommodation professionals, must know how to interpret and take advantage of new business opportunities, knowing how to anticipate social and digital movements. In this sense, the mathematical models of economic impact simulation have the virtue of quantifying the effects of changes in any component of aggregate demand, therefore, if there is stability in the international economic environment, the results can lead us to reliable approximations of the effect of such variations.

However, in troubled times such as the recent one, due to the uncontrollable effect of Covid-19 on a world scale, it would break any initial calculation. In the first quarter of 2020, the Organization for Economic Cooperation and Development (OECD) presents an optimistic scenario and even so, it has drastically cut its global growth forecast from 2.9% to 2.4% and sees Europe very vulnerable to a prolonged crisis. Under a more pessimistic scenario, that is, if the epidemic continues over time and geography, the growth forecast for the global economy would be halved, to 1.5%, and the Eurozone and Japan could go into recession. This panorama strains expectations in all sectors of activity, not only the one that concerned us in tourism, the focus of this work, but of all the others in an interconnected way, as we have seen in the simulation described in this work. From the perspective of national accounting, the impact on tourism sector performance anticipates a change of pattern in the exercise of its activity, which will be more noticeable over the next few years. Therefore, it would require forecasting tools and control mechanism in order to preserve a national asset with great potential and pursue the promotion of sustainable tourism.