

The Role of Culture in Tourism Demand: Dynamic Panel Data Analysis

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Abstract

This paper examines the role of culture on tourism demand in 6 European living labs. Previous research that empirically examines the relationship between culture and tourism usually considers UNESCO World Heritage Sites as the main indicator of culture. However, some studies indicate that it is necessary to consider other segments of culture and culture governance as well. Therefore, this paper considers nationally protected sites, UNESCO and national intangible cultural heritage. Except different resources, it also considers cultural infrastructures and cultural enterprises. Finally, cultural governance is considered through three indices: cultural institutions index, index of policy measures to support the cultural sector and index of strategic planning of cultural tourism. All 5 indices are constructed by using simple additive weighting method. The results of the dynamic panel data confirm a significant influence of the cultural resources index and the number of cultural enterprises. On the other hand, the cultural infrastructure index is statistically significant and has a negative sign. While government spending on culture has no statistically significant impact on tourism demand. Finally, all three cultural governance indices have positive and statistically significant influence on tourism demand. Our results are a clear indication to policy makers that cultural infrastructure and resources need support from cultural and other institutions to realize their full potential to promote tourism.

Keywords

Cultural tourism, cultural indicators, tourism demand, panel data analysis, European living labs.

