

Green-zone travelling: A pan-European approach to save tourism

EsadeEcPol Policy Insight #10 | May 2020

AUTHORS*

Miquel Oliu-Barton

Associate Professor of
Mathematics, Université
Paris-Dauphine

Bary Pradelski

Associate Professor of
Economics, CNRS;
Associate Member, Oxford-
Man Institute

EXECUTIVE SUMMARY

- Many member states of the European Union have launched their exit plans based on regions. As the incidence of the virus decreases, mobility between these regions will normalise, following a **"green zoning" strategy**, similar to the one we proposed in our [previous #PolicyInsight](#).
- In this #PolicyInsight we propose to elevate the green zoning approach to the level of the European Union. The idea is simple: **allowing the mobility of people between "green zones" of different European countries** through a network of regions certified by European institutions.
- If well communicated and with sufficient guarantees, this proposal could **save the summer tourist season in southern Europe**, thus mitigating the enormous economic costs that the closure to international tourism could cause for these countries.

The tourism industry has already been **heavily impacted by the Covid-19 pandemic** and a literal cancellation of the summer season would further push many European countries toward a deeper economic crisis. As most countries are still struggling to contain the virus, as well as with their respective exit strategies, we are heading toward a summer during which international travel might be – if not forbidden – highly discouraged.

Such travel restrictions will additionally **damage the already weakened economies of Europe's southern countries**, such as Spain or Italy, because they rely on tourism more heavily than the northern countries. Beyond the direct effects on their gross domestic product (GDP), this could also weaken the fragile balance within the European Union (EU).

“ Consider, for example, Bavaria, a German 'Land', and Mallorca, a Spanish island. If both of them are deemed safe by a common EU authority, they are awarded the "EU green label". It is then safe to travel between two such green zones, just as it is safe to travel between two green zones in the same country. ”

How to define the **best strategy to exit the Covid-19 lockdown measures** is the most pressing question for all major European countries.

France, Italy, and Spain have already announced a regional approach – policies may vary from one territory to another, depending on their current situation with respect to Covid-19. The exit strategies of these countries rely on **disconnecting geographical areas** by forbidding unnecessary travel between them. This approach – which, in France and Spain mirrored our green-zoning proposal ([Oliu-Barton, Pradelski and Attia, 2020](#)) – goes on to label each region as either red (virus not under control) or green (virus under control) in order to (a) avoid the spread of the virus throughout the territory and (b) allow economic activity to restart on a more local level as soon as it is safe to do so ([Philippe, 2020](#); [Spanish Government, 2020](#)).

The labelling **needs to be secure and reliable**. Therefore, the conditions under which a zone is labelled green, as well as the sanitary measures and mobility restrictions that are implied by each label need to be defined with the consultation of the respective health authority.

We propose that the green-zoning approach is **elevated to the pan-European level**. Consider, for example, Bavaria, a German 'Land', and Mallorca, a Spanish island. If both of them are deemed safe by a common EU authority, they are awarded the "**EU green label**". It is then safe to travel between two such green zones, just as it is safe to travel between two green zones in the same country.

Thus, we argue for **allowing "green-zone travelling"**, that is, travel between any two green zones regardless of whether the zones are in the same country. Green zones would form the **European "green-zone travelling network"**, which would grow as the spread of the virus is progressively contained. Allowing green-zone travelling might be the key to save the tourism sector, the wider economic viability of several European countries, and the balance within the EU.

“

We propose that the green-zoning approach is elevated to the pan-European level

”

Pan-European green-zone travelling network

Building on our green-zoning approach, we propose the following three-step strategy:

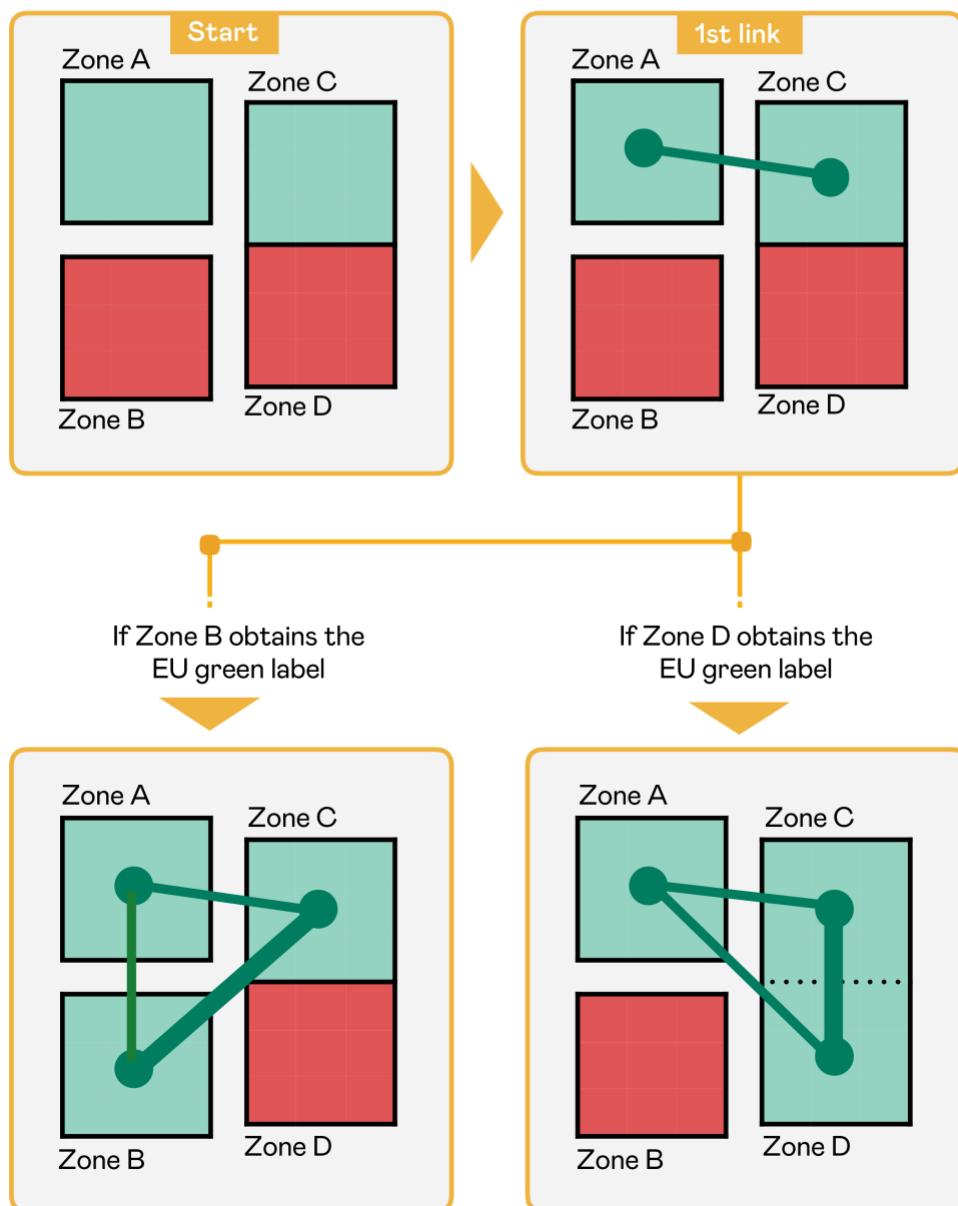
1. **Divide each country into zones** (e.g., regions, provinces, or departments). These divisions could be orchestrated by each country independently as different economic and political constraints need to be taken into account.
2. **Label each of these zones as either red or green** depending on whether the virus is under control or not. Green labels need to be consistent across countries and therefore their definition, administration, and monitoring should be facilitated by the European Centre for Disease Prevention and Control.
3. **Green zones jointly form the European green-zone travelling network**, where travel – and thus tourism – is safe and therefore allowed.

Figure 1

Building the European green-zone travelling network to ensure safe mobility during the pandemic

Zones are isolated by a closed border  while the virus outbreak is not under control  Once the virus is under control  the green-zone travelling network is progressively formed .

Thickness indicates potential economic benefit



Proposal: Oliu-Barton & Pradelski. Visualisation: Jorge Galindo | EsadeEcPol

Our proposed strategy has the following sanitary, economic, and political advantages:

Containing the spread of the virus

By differentiating between red and green zones, **the spread of the virus across the entire territory is minimised**. This is the case because travel to and from red zones would be limited to necessary travel only – such as that by key workers – and rigid testing routines would be implemented. As the resurgence of the virus within the green-zone travelling network would have detrimental consequences it is paramount that the conditions for EU green labels are stringent.

“

Travel to and from red zones would be limited to necessary travel only

”

Our strategy is a template and could be adapted according to specific regional needs. For example, it may be useful to **introduce the "amber label" for zones that show low levels of virus activity** but are not yet allowed to join the green-zone travelling network due to insufficient evidence, thus putting the whole network at risk.

Reducing the economic burden

To illustrate, consider Mallorca where tourism accounts for 45% of its economy with almost 14 million international tourists annually, mostly during summer [1]. For this island to obtain the EU green label as soon as possible is crucial, since being part of the European green-zone travelling network might be the key to save its economy.

More generally, the tourism sector is the largest sector in several southern European countries with most income generated during the summer months. The intra-EU inbound tourism trips from June to October account for 65% of the annual flow in Spain, 60% in Italy, 78% in Greece, and 79% in Croatia (Eurostat, 2019). Per annum, tourism accounts for 11% of employment and 14% of GDP in Spain, 13% of employment and 12% of GDP in Italy, 26% of employment and 25-30% of GDP in Greece, and 13% of employment and more than 20% of GDP in Croatia [1].

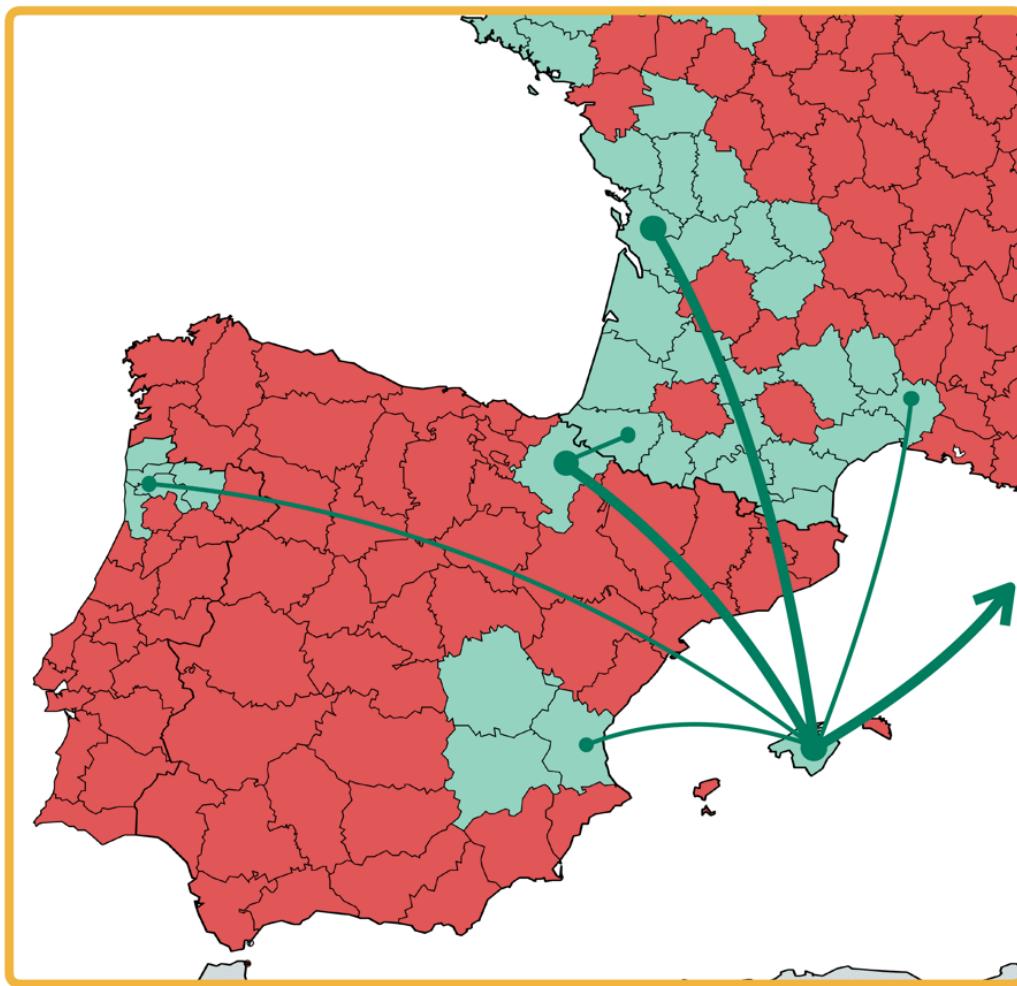
Consequently, **enabling pan-European tourism over the summer months is probably the single most important determinant for the economic survival of several European**

countries. In addition to its benefits for the tourism sector, the recovery of, for example, the airline and leisure sector would also be accelerated. This likely avoids the use of the ESM, which is in the particular interest of some northern, wealthier countries.

Figure 2

Example: The hypothetical impact of a European green label for Mallorca

Thickness indicates potential economic benefit



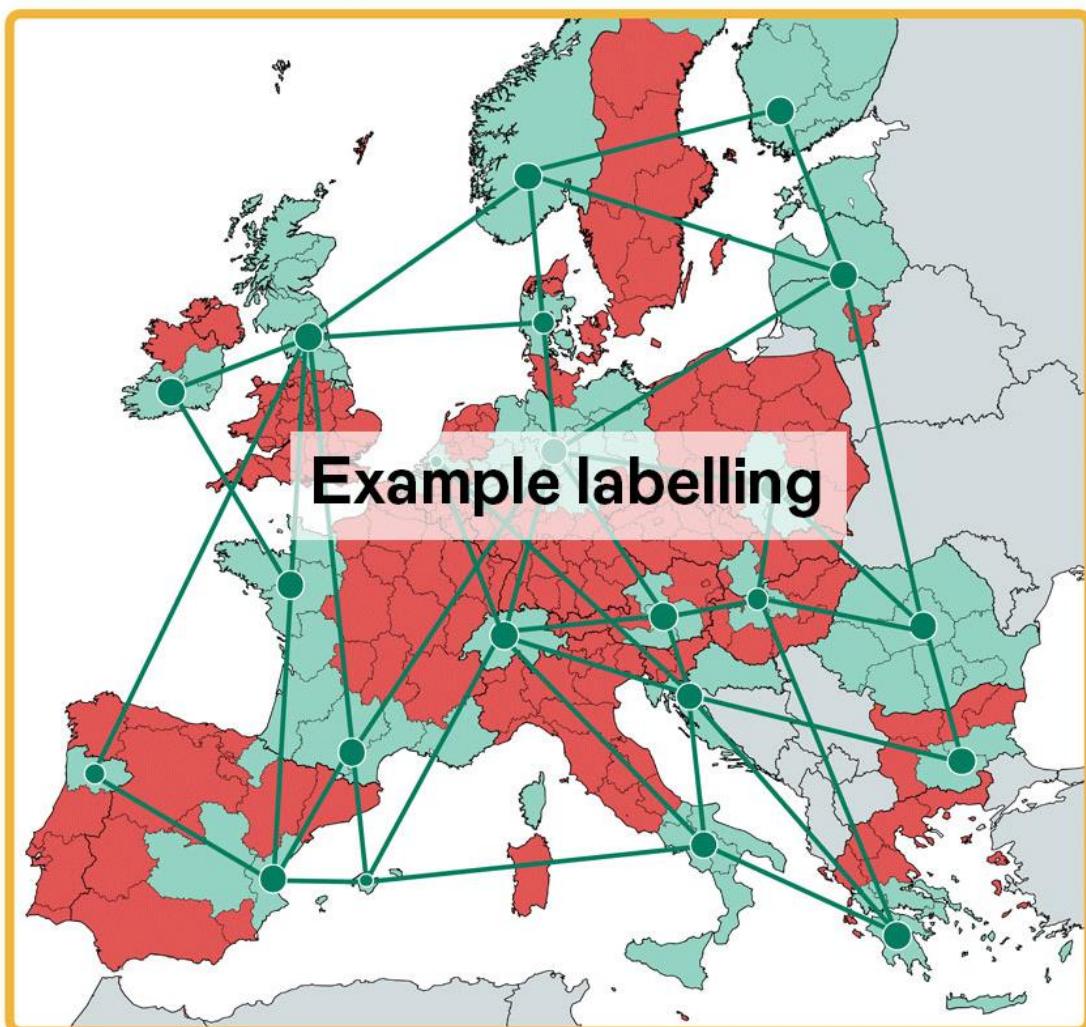
Fostering community and the European identity

Giving the opportunity for zones to "determine their own fortunes" **would create a stronger incentive for communities to follow regulations** and actively contribute to the control of the Covid-19 outbreak. Nationalistic considerations thus become less important and people's identification with the European project has the potential to increase, as green-zone travelling becomes possible between zones irrespective of which country they belong to.

Figure 3

The green-zone travelling network: a safe way to travel through Europe during the pandemic (example labelling)

We propose that the Schengen members that are not in the EU would also join the green-zone travelling network.



Action plan for the European Union

The role of the EU has repeatedly been questioned during the Covid-19 pandemic as a result of slow reaction and little coordination in the early stage of the outbreak. By showing definitive leadership, the EC should rise to this opportunity. Its action could define the future of several European countries.

“

Our proposal would allow the European Commission to show definitive leadership in a crisis that affects the lives of millions of European citizens.

”

Our green-zone travelling approach **can only be orchestrated on a pan-European level and indeed it falls under EC competence** (Treaty of the European Union, Article 5 §3). The EC should lead the implementation of steps 1–3 outlined above.

In particular, we foresee the importance of:

- **Zoning.** The delimitation of the zones should not pose a major political obstacle because our approach builds on divisions that have already been implemented in several European countries, such as Spain, France, and Italy. Countries may also opt to be considered as one single zone, which could be relevant for small countries, or for countries where the Covid-19 outbreak is fully under control.
- **Testing.** To ensure a consistent implementation of the red and green labelling, a workforce attached to the EC should execute independent testing. This should focus on areas that have recently applied for an EU green label. More importantly, a special effort should be put into areas that heavily rely on summer tourism, as is for example the case for Mallorca.
- **EU green labels.** These labels must be administered by a common EU authority in order to ensure that their meaning does not vary from country to country. Otherwise, countries might have incentives to label their areas as green, and thus

endanger the viability of the European green-zone travelling network. To avoid confusion, it is preferable that countries use the EU green labels for internal purposes, too. Pan-European labels avert the problem of reliability and mistrust between countries as reporting, number of tests, and adherence to measures by the population may differ.

- **Green-zone travelling network.** To maximise economic impact while also keeping the virus under control, the EU should coordinate concerted efforts to keep the green-zone travelling network operational and ensure that all participating countries stringently implement the sanitary rules and protocols.

Green-zone travelling for a prosperous future

In summary, we believe that the green-zoning approach – which has already been implemented at the sovereign level by many European countries – **could reap even greater benefits when used on a pan-European scale** to allow green-zone travelling.

By focusing on the tourism industry, we outline the importance of elevating the exit strategy from the Covid-19 pandemic to the European level. We firmly believe that **building the European green-zone travelling network is a unique opportunity for the EU** to show its strength by creating a win-win situation for all member countries, and not allowing the summer season to fall victim to the pandemic.

References

- Eurostat. Tourism statistics - intra-EU tourism flows, Eurostat – The statistical office of the European Union (2019)
- Ikkos A, Koutsos S. The contribution of Tourism in the Greek economy in 2018, Institute of the Greek Tourism Confederation (2019)
- OECD country profiles – Italy, accessed via <https://ec.europa.eu/> (2015)
- Oliu-Barton M, Pradelski B S R & Attia L. Green zones: A proposal to exit the COVID-19 lockdown, VoxEU.org, 25 April. Exit strategy: from self-confinement to green zones, Esade Centre for Economic Policy & Political Economy, Policy insight No. 6, 8 April (2020)
- Orsini K & Ostožić V. Croatia's tourism industry: Beyond the sun and sea, European Commission, Economic Brief 36 (2018)
- Philipp E. Premier ministre Présentation de la stratégie nationale de déconfinement, accessed via <https://www.gouvernement.fr/partage/11518-discours-de-m-edouard-philippe-premier-ministre-presentation-de-la-strategie-nationale-de>, 28 April (2020)

- Spanish Government. [Plan de desescalada](https://www.lamoncloa.gob.es/consejode ministros/Paginas/enlaces/280420-enlace-desescalada.aspx), accessed via <https://www.lamoncloa.gob.es/consejode ministros/Paginas/enlaces/280420-enlace-desescalada.aspx>, 28 April (2020)
- WTTC. Travel & tourism: Economic impact 2020, World Travel & Tourism Council, accessed via <https://wttc.org/Research/Economic-Impact> (2020)

Notes

* The authors thank Andreu Mas-Colell, Toni Roldán and Max Roser for their insight and support. An earlier version of this column first appeared in [VoxEU](#), the policy portal of the Centre for Economic Policy Research (30 April).

[1] Employment data from Eurostat (2019). GDP data for direct and indirect contribution to tourism for Spain (WTTC 2019), Italy (OECD country profiles—Italy, 2015), Greece (Ikkos and Koutsos 2019), and Croatia (Orsini and Ostojić 2018).