

## Ian Goldin: “Resilient Tourism for Resilient Economies and Sustainable Societies”

Thank you very much Simon and thank you to the Ionian University and Ionian Environmental Foundation for bringing me here.

I've come to Corfu many times in the past but I've never been able to call it work and that's really exceptional.

And to follow Jenny and inspiring account of Le'er in Corfu was absolutely wonderful.

So thank you Jenny and thanks to all the previous speakers.

I'm also a bit intimidated as my previous master Drummond is here and I'm the warmup act for him.

Thinking about the extraordinary things that are happening in the world and their relationship

to Corfu, their relationship to the Aramita's Peninsula is what I've been doing and want

to go through some of the possible intersections.

Now Corfu more than anywhere knows that what happens elsewhere matters here.

It is being a place of Colonials for time immemorial.

The Farris, the Greek and the Farrick victories that led to the Roman invasions, the wars,

the waves of different people that have come through here.

All adding, all changing but the ripple effect of empires  
and of impact.

And I believe that will accelerate in the years to come.

And so this topic of resilient tourism for resilient  
economies and sustainable societies  
is more important than ever.

Which is why this workshop today is I think of great  
significance for the future of Corfu  
and certainly for the way that it's able to cope with what  
will be even more dramatic  
changes.

Enjoy today.

It's the slowest day you'll know for the rest of your  
lives.

The speed of change is accelerating because there are more  
and more people in more places  
with more ideas inventing.

Good ideas, bad ideas.

And we'll know about them quicker because we're more  
interconnected than ever.

Interconnected in atmospheric systems which will touch the  
weather patterns and climate  
of Corfu, interconnected in information systems, economic  
systems, political systems and of  
course in other ways as we've seen with pandemics and the  
threats that we now face.

And as that becomes faster, more aggressive, like a roller coaster with steeper ups and more precipitous declines, the need to be resilient grows. The need to be able to go with this, to surf the bigger waves, but be anchored in who one is, what one is and ensure that this does not overwhelm one.

And that's a challenge not only for leaders, it's a challenge for every member of society.

And it's a particular challenge which I think has been demonstrated in the Aramita's Peninsula as a small subprime crisis in the Midwest of the USA leads to the collapse of the Greek economy, structural adjustment programs and the change in ownership of that incredible place, the privatization if you want of part of the peninsula.

What I call the butterfly defect of globalization, you'll be familiar with the physicist Lorenz's observation that when a butterfly flaps its wings over the Amazon it can cause a tornado over Texas, what became known as the butterfly effect. The defect is the underbelly of globalization, this rippling effect of interconnectivity.

Interconnectivity is wonderful, relationships are wonderful, the people we love, the places

we like to go to, the things we use and consume from elsewhere, the knowledge we accumulate, these are all interconnectivity, the vaccines we used to fight the pandemic.

But interconnectivity also leads to interdependence, the vulnerabilities.

In the same way that we feel the pain of those that we love, that suffer, we feel the pain at the other side of the world because we're more connected to it and it will impact great in us.

So the great challenge of our time and the challenge for Corfu and certainly for the Aramita's Peninsula is how to manage this.

How do we ensure that we can be connected, that we don't cut ourselves off and yet that we can sustain ourselves and our societies in a way that is beneficial for us but also beneficial for others.

We know that there's no wall high enough that will keep out the great threats that we face in the future.

There's no way to change pandemics, poverty elsewhere and many other threats.

What high walls do keep out is not only the good people with good ideas, the technologies

we need to thrive in the future, be it the AI or vaccines or others, the investment we need to improve our lives.

They keep out the will to cooperate.

A divided world with higher walls is a world of less cooperation, more conflict, more fragmentation and of course it also undermines our economies.

So I hope that Europe does not try and replicate the terrible ideas that are now seeming to gain root in the USA of isolationism and nationalism.

Europe has been through this before.

Europe has experienced the wars that amongst other things have been so destructive for

Khorfu, leading to a community of 5,000 Jewish people in Khorfu, now numbering only 65.

This is not a world we can entertain and I believe it's a world that Khorfu needs to be sure it is not part of.

It is part of Europe.

Greece is part of Europe and Europe needs to thrive in the future.

What happens in Europe will matter dramatically for Khorfu and for Greece and it was of course the European financial crisis, the Euro crisis that followed the US, global crisis, the US derived global crisis that led to the crisis in the Greek

economy and to what we're seeing  
happening in the Iremitas Peninsula.

This interconnectivity, this ripple effect goes from in  
that case the Midwest of the  
US to Iremitas.

But it wasn't only the folly of the bankers that led to  
this, the complete ineffectiveness  
of the global institutions that were managing the  
financial crisis or meant to stop a financial  
crisis, the most effective global institutions by far,  
much more powerful than the United  
Nations system, the IMF, the World Bank and other  
institutions, much better staffed in  
terms of the number of PhDs they have and how much those  
people are paid.

And I'm sorry to say I was part of that.

I was head of policy in the World Bank Group in the run up  
to the financial crisis.

We didn't see it coming and we didn't do much about it  
when it happened.

That is that which has led to collapse in trust in the  
ability to manage interconnectiveness.

I believe it's the global financial crisis and its ripple,  
including the ripple into Greece  
that led Trump to be elected for the first time in the  
White House through the collapse

in trust of the center right and center left to manage interdependency and tragically to Brexit in Britain.

I don't believe either of those things would happen had it not been for the financial crisis and certainly it led to dramatic changes in Greece too.

The technological dimension of this was also important and the failure to manage technologies because at the heart of the financial crisis was credit derivatives, new financial instruments developed by WIS kids that were not understood and still are not fully understood by those supervising the system, people like me, but the central bankers, the finance ministers and others, the audit committees of banks.

And this disconnect between technological change and ability to manage it of course is again accelerating with artificial intelligence and our failure to create the right guardrails around it.

What does this all mean for the future of tourism and resilient tourism?

Well, this is one dimension, the risk dimension, the globalization dimension.

The fragmentation of the world economy will not lead this to decline.

It will lead this to an army of change to be even more powerful and less effectively managed.

Global institutions today are even worse off than they were at the time of the financial crisis.

The UN is totally unfit for purpose as are other global institutions.

The World Health Organization is in a much weaker state today than it was in 2019 before the COVID-19 pandemic.

\$22 trillion was spent in response to the COVID-19 pandemic.

That's a big number.

It's about a third of the world economy.

In paying for masks and vaccines, paying people not to go to work, the impact on the economies and so on.

And that's, of course, not counting the absolutely tragic human losses suffering and long COVID that still exists.

One day of that would create a global pandemic prevention system which could stop future pandemics.

And yet what we're seeing, despite the learnings of the pandemic, is the US turning its back

on vaccines, the CDC, which is a key pillar of the global pandemic system, being dismantled effectively, and the World Health Organization being undermined in the US, of course, pulling out of the climate agreement and the World Health Organization.

So I think we can expect, at least for the next 10, 20 years, that there's no big brother.

There's no global system which is going to save us and manage change more effectively.

Peace is part of Europe, and Europe needs to manage this as best it can without relying on others.

That's not to say that cooperation shouldn't be pushed at every turn, that we should search for it and build new alliances.

But the expectation should not be that they will reduce risk, but rather help us better manage it.

At the same time, there are many other global challenges and trends that are going to impact on Khorfu and Greece.

Amongst them are the very rapid movement of global economic activities to Asia.

The center of economic activity has moved from the Atlantic to basically over the Gulf

and Asia.

It's already over half of the world economy.

Within 20 years, it will be two-thirds of the world economy.

Growing at about four and a half, five percent a year, while as we in the Atlantic and Mediterranean will grow at about one and a half, two percent if we're lucky.

When you compound that with the number of people and two-thirds of the world population in Asia, you very quickly see what that means in terms of purchasing power, consumption, and other trends.

Political power follows this with a long lag.

We're moving to a very different world economically, a very different world politically, a very different world as well demographically.

Well over two-thirds of the world's population are living in countries which are below replacement level.

That's about 2.1 children per adult female.

Simon, you're an outlier in the Greek statistics in terms of, well, you have one child, right?

So you have two children.

Well, you are an outlier.

You're well above the national trend and the European

trend.

That's global.

Coming down everywhere.

There's not a single country in the world where fertility is going up, Africa from a much higher level, but still a way above replacement level.

Coming down.

What does that mean?

That means not only is where people are going to be increasing their incomes, but the age cohort is going to be very different.

And of course it also impacts on what one feels about AI.

China has 4 million less workers this year than last year.

Machines doing what humans used to do is a welcome thing.

That's why Japan invented the technological changes which are now becoming commonplace around the world, robotics, automation.

You could see a machine dispensing coffee in Tokyo in the early '90s when it was unknown in Europe.

That's because they experienced first the demographic change.

They had a shortage of people and a surplus of savings of capital long before others did.

But that's now sweeping through Europe, many other Asian economies, and of course North

America.

Africa is very different.

Africa has 20 million more job seekers this year than last year.

And a world where machines do everything that's repeated, factory work, call center work, other repetitive jobs will not exist.

And so what you'd feel about the new technologies would be very different.

Europe will also benefit because we are rapidly aging and relatively wealthy.

It's not just that these mega changes impact on who is going to be traveling, who's going to be experiencing, who's going to be poor, who's going to be rich, what risks will occur.

But they also, of course, change the way that one thinks.

Not only because the new information systems change that, moving from relatively curated media and information sources, whether it's the church, newspapers or radio or TV, to social media, fake news, and other silos.

It's a very different world.

But it's also that place is very different.

What one thinks about change depends totally on where you're looking from.

And if you're in the Midwest of the US and your business

has been hollowed out by globalization  
and now by machines doing the jobs, you don't feel so  
happy like you don't in the north  
of England, not Scotland, the north of England.

Nothing is going to change that.

Places that were developed for the industrial revolution  
are not the same as places that  
are going to thrive in a turbocharged knowledge economy.  
That's the dynamic super cities.

And they can be in the desert, as Dubai showed until  
recently, at least with the Iran War.

But what people will do increasingly in this world is want  
experiences, want unique experiences,  
want experiences that they cannot get digitally, that they  
cannot get in their home place.

And that's, of course, going to be as more and more heads  
turn towards travel and tourism.

The annual growth rates are about 10% a year globally,  
mainly in Asia where the growth  
is happening, less in Europe.

And of course, Europe's going through a bit of a downturn  
because of the economic situation  
and the war.

The US's attack on Iran has compounded that with flights,  
as you know.

But the trend, I think, is sustainable.

Growing inequality, growing middle class, growing number of rich, traveling.

And no substitute or virtual for physical.

Indeed, these are complementarities.

The more people hear about a place, the more they see images of it, the more keen they are to go there.

And some people can work remotely, digital nomads, about 25 million in the world now.

I think that's been oversold in the sense that they're limits to digital work.

Most, a lot of institutions are insisting that workers come back to the office, and I think that's right because jobs are basically apprenticeships, particularly for young people.

They need to be there.

But creativity, and I've been doing some work on this, creativity happens much better in an environment where people touch each other and see each other than if they do it remotely.

So there's all sorts of reasons why I don't think digital nomads will replace physical workspaces and concentration effects of new technology.

But they will be a big opportunity as well.

And part of the resilience, I think, discussion will need

to be, do we want tourists?

Do we want digital nomads?

Do we want people that spend more of the year here, spend more money here on a sustainable business, and I would argue that that's probably a good idea.

But there will be inevitably a growing pressure of people wanting to come to this wonderful part of the world.

And so the questions of how one manages this in the interests of sustainability become more and more pressing.

There are lots of ways one can do this, but this is not in the context of some sort of stability.

It's in the context of everything changing.

Of course, the Mediterranean is changing even more rapidly than many other parts of the world.

I was part of the establishment of a group which brought together Mediterranean countries thinking about the future of the Mediterranean Sea.

And as you know, Simon and many others know, it's not a positive picture.

The rising acidity, increasing pollution, overfishing, and many, many other compounding factors, and of course, rising heat, with the oceans being

the absorbers of much of  
the pressure of climate change, but land-based systems too,  
and of course, key questions  
around water and sustainability, which have been addressed  
earlier on today.

The dust storms, the rising heat, the variabilities will  
increase the pressures on agriculture,  
they'll increase the pressures on fishing particularly.

And it's, I think, very unlikely that there will be  
positive prospects for increasing revenues  
from those two sources, either fishing or agriculture,  
given climate change.

So the question is where do other sources of income come  
from, and I think tourism will  
have to remain central to that.

There are, of course, others, and I mentioned digital nomads  
and long-term professionals.

The important thing is that this cannot be erased to the  
bottom, it needs to be the aspiration  
of being to the top.

Not in the top that you want to price out anyone except  
the super-rich, but the top  
in terms of you have managed resilient tourism for a  
sustainable society, that you have this  
ambition which is encapsulated in the title of the session  
of doing this and showing others

how they can do it too.

And there are lots of places that are suffering from the same pressures.

In our small way, in Oxford we are.

More and more people want to come there, and it's a very limited small space.

But there are many, many places.

I'm engaged in a project in Bhutan, an amazing small country, where the pressures are similar in different ways.

And there are many, many Caribbean islands and other places which are asking similar questions.

Some ways you can do it, of course, is by simply access.

You say we're not going to have cruise ships.

We're not going to have more than X number of buses a day, and other ways of curtailing access.

You can do it through timing.

We're going to allow people to come for these hours of the day, but not stay overnight.

We're not going to allow air, B and Bs.

We're going to restrict hotel spaces.

There are lots of ways one can do that.

You can do it through price.

We're going to make everything impossibly expensive.

And you're going to have tickets and entry barriers.

There's lots of different ways one can do it.

And one can do it in an involuntary way.

We're not going to create disabled access.

We're not going to make it harder for older people to be here.

There's lots of conscious and unconscious ways which one can direct this.

But I would like to suggest that the strategy needs to be one where you are creating an environment where those that you feel are the sorts of people that will appreciate it most will do it.

But this isn't a world of change where those people might not be the same people as the

Edward Learners and the Gerald Daryls of the past.

They don't have that now romanticized colonial attention.

The future is increasingly going to be Arab and Asian in terms of the people that want to come here.

And so the societies that accept people also, I believe, are going to have to be part of a process of change and where they respect, embrace and understand.

But it's not the stereotypical.

And of course the greatest nearby group of people is also

going to be African.

Now Africa has particularly, I think, difficult prospects, difficult to generalize about 54 countries, some which are doing incredibly well and some who are mired in war.

But as a whole, moving to two billion people nearby in this terrible situation, let the bottom rungs of the development ladder are being removed by the new technologies, by automation and robotics.

So high inequality and of course very vulnerable to climate change.

What Greece and how Greece behaves in response to refugees and asylum seekers is going to be part of that story.

But it can't be an accident of history that Greece is nearby, Syria as it was, or Africa, that determines how it is.

Europe as a whole and the world as a whole has to step up to its commitments which are in treaties that the international refugee community have built over and more, particularly after the Second World War and refugees from elsewhere after the Second World War.

This will all be part of the conversation about how many people should be here, which

people from where, under what circumstances.

The paradox that Khorfu faces is that it desperately needs people to come here as tourists to spend their money.

It would die a slow death without any of that movement.

But at the same time, it will die a quick death if there's too much of it.

It will destroy nature and it will undermine the society.

And so the balancing act, managing this paradox, ensuring that Khorfu is able to be a place of resilient tourism, that the economy is resilient, it doesn't get hit as it was in

the past by these global crises of different types.

And that the society, which is at the very heart of this, of this, feels value, not overwhelmed, we heard, I don't know if she's still here, I can't see her.

This heart felt plea by someone this morning, he said, "I can't go out of my apartment.

There's a sea of people when I try and get out my front door."

That clearly is not a sustainable society.

And how one manages this, I think, is through a combination of all of these factors, through a control on access, a control on price, a control on accommodation, regulation, and

ensuring that the governance is in shape.

The crisis in the Eremitas Peninsula is not simply one of economic collapse associated with a global financial crisis and a Greek financial crisis.

It's also a reflection of moral collapse, of ethical collapse, corruption, doing the wrong thing for the wrong reasons.

And so at the heart of this conversation about sustainable societies is also, I think, a deep reflection of governance, of how one becomes a good citizen, stays a good citizen.

Education is at the heart of that.

And that's why the work of the Ionian University and the Ionian Environmental Foundation and the organization of today is so vitally important.

Thank you.