

TOURISM RESILIENCE THROUGH SOCIAL ENTREPRENEURSHIP AND COLLABORATIVE PROCESSES

Liliya Terzieva¹, Sarah Schmitz²
e-mail: l.v.terzieva@hhs.nl, e-mail: s.s.schmitz@hhs.nl

Abstract

The tourism industry, characterized by its complexity and interconnectedness, faces significant challenges such as economic downturns, natural disasters, and global pandemics, all of which underscore its vulnerability. Traditional risk management strategies have proven inadequate in addressing these multifaceted issues. This study explores the role of social entrepreneurship in enhancing tourism resilience through innovative and collaborative approaches. By fostering partnerships among local communities, stakeholders, and social entrepreneurs, social entrepreneurship drives sustainable development and creates resilient tourism destinations. Employing the two very diverse cases presented, this paper highlights the importance of adaptive strategies, collaborative networks, and social innovation in building a more sustainable and resilient tourism industry.

Keywords: tourism, resilience, social entrepreneurship, collaborative processes

JEL: L26, L83, O35

Introduction

The tourism industry is increasingly recognized as a complex and interconnected system that faces numerous challenges, including economic downturns, natural disasters, and global pandemics. These challenges highlight the vulnerability of tourism-dependent economies and the urgent need for resilience within the sector. Traditional, mechanistic approaches have proven insufficient to address these multifaceted issues. Instead, there is a growing recognition of the need for innovative, generative, and collaborative strategies, such as social entrepreneurship, to enhance tourism resilience. The primary problem addressed in this study is the vulnerability of the tourism industry to various disruptions and the need for robust resilience strategies. The COVID-19 pandemic starkly

¹ Prof., PhD, Designing Value Networks, Business, Finance and Marketing Faculty, the Hague University of Applied Sciences, the Netherlands, ORCID: 0000-0003-4834-6951

² Student Assistant, Designing Value Networks, Business, Finance and Marketing Faculty, the Hague University of Applied Sciences, the Netherlands, ORCID: 0000-0003-4834-6951, and Master of Arts Student, Media and Communication Studies: Culture, Collaborative Media and Creative Industries, School of Arts and Communication, Malmo University

illustrated this vulnerability, causing significant economic losses and challenging the sustainability of many tourism destinations. Additionally, the sector faces ongoing threats from climate change, political instability, and changing consumer behaviors, all of which contribute to its inherent volatility, uncertainty, complexity, and ambiguity (VUCA). Current solutions to enhance tourism resilience often focus on traditional risk management and recovery strategies, such as diversification of tourist offerings, investment in infrastructure, and marketing campaigns to attract visitors post-crisis (Terzieva et al., 2022; Terzieva, 2023). However, these approaches are often reactive and fail to address the root causes of vulnerability or leverage the full potential of local communities and stakeholders. Social entrepreneurship, which combines innovative business models with social objectives, presents a promising alternative. Social enterprises in tourism can drive sustainable development by addressing social and environmental issues while generating economic value. Although the potential of social entrepreneurship in enhancing tourism resilience is recognized, its application and effectiveness in this context have not been extensively examined. This study aims to fill this gap by exploring how social entrepreneurship can foster resilience through collaborative processes and innovative practices.

The world today

The world we live in today is described as the „never normal,“ characterized by dynamic and complex environments. This ever-changing landscape significantly impacts the tourism industry, necessitating a shift from traditional models to more adaptive and resilient approaches. The integration of consumers as active participants in service and product co-creation further underscores the need for innovative strategies that foster resilience. Social entrepreneurship emerges as a crucial enabler in this context, driving sustainable development and addressing social issues through collaborative processes. Furthermore, the tourism sector's dynamics is influenced by various global trends, including technological advancements, changing consumer behavior, and increasing awareness of sustainability. For example, the rise of digital platforms has transformed how tourists plan and experience their travels, while heightened environmental consciousness has led to a growing demand for sustainable tourism practices. These trends highlight the need for the tourism industry to be agile and innovative, leveraging social entrepreneurship to meet these evolving demands while ensuring the resilience and sustainability of tourism destinations.

Complexity Overrules

Contemporary issues in tourism are deeply interwoven with various socio-economic and environmental factors, making them highly complex. However, social entrepreneurship, with its focus on creating social value and tackling intricate problems, is well-positioned to operate within this complex landscape. By promoting sustainable and long-term impacts, social entrepreneurship contributes to the resilience and adaptability of tourism destinations. Tourism resilience requires a holistic approach that considers the interdependencies within the tourism system. For instance, a tourism destination's ability to recover from a natural disaster depends not only on the immediate response efforts but also on the strength of local economies, infrastructure, and social networks. Social entrepreneurship plays a pivotal role in this context by fostering collaboration among diverse stakeholders, including local communities, businesses, and government agencies. Through innovative solutions and collective action, social enterprises can address the multifaceted challenges facing the tourism industry, enhancing its resilience and sustainability.

Understanding VUCA and its implications for tourism

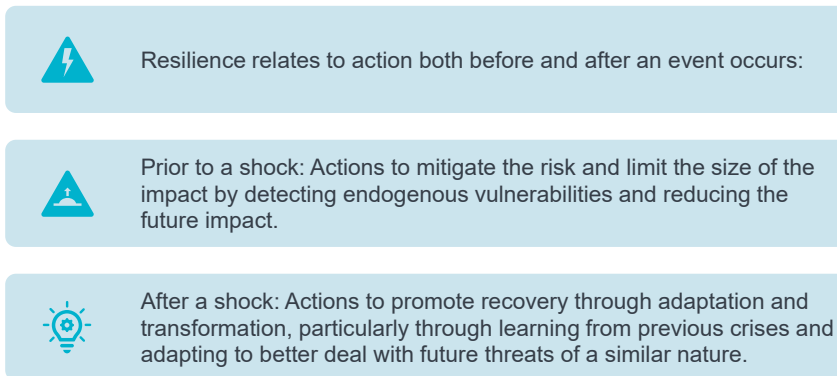
VUCA, an acronym for Volatility, Uncertainty, Complexity, and Ambiguity, was originally used by the U.S. Army War College to describe the unpredictable nature of the world post-Cold War (Terzieva, 2023). This concept has since been adopted across various sectors, including business and education, to articulate the dynamic and interconnected challenges organizations face today. Each component of VUCA provides a unique perspective on the challenges: Volatility refers to rapid and unpredictable changes, Uncertainty to the lack of predictability, Complexity to the multitude of interconnected factors, and Ambiguity to unclear cause-and-effect relationships.

In the tourism sector, VUCA conditions necessitate a shift from traditional, linear models to more flexible and innovative approaches. Social entrepreneurship offers a promising path forward by fostering collaboration among local communities, tourism stakeholders, and social entrepreneurs. This collaborative approach can lead to the development of unique, sustainable tourism products and practices that enhance a destination's resilience. Social innovations driven by local tourism actors play a key role in transforming interactions and practices, ultimately contributing to the resilience and sustainability of tourism destinations. As mentioned before, traditional hierarchical approaches often fail in VUCA environments, but a living-systems approach promotes the formation of impact networks that build relationships across boundaries and leverage diverse skills and motivations. Network weavers facilitate these connections, fostering trust

and identifying collaborative opportunities that enhance the network's ability to respond to complex challenges. Social enterprises in tourism, such as eco-friendly accommodations that employ local residents and reinvest profits into community development, balance profit with purpose, enhancing the social and environmental resilience of destinations. Collaborative processes like living labs, learning communities, and hybrid environments enable continuous exploration and implementation of resilient strategies, ensuring the sustainability and adaptability of tourism destinations.

Essence of tourism resilience and social entrepreneurship

The tourism industry, a complex system interwoven with local communities and ecosystems, faces constant challenges. From economic downturns to natural disasters and pandemics, disruptions can devastate destinations and livelihoods. Tourism resilience has emerged as a critical concept, emphasizing a destination's ability to adapt, recover, and thrive in the face of such shocks (OECD, 2022). The concept of resilience as it can be seen in Figure 1 relates to the process of sustaining through and beyond shock, so that specific patterns of the viability can be taken further and rewoven into the system, industry or even society at large.



Source: Based upon OECD (2022).

Figure 1: Resilience as utmost Adaptability

Here it is explored how social entrepreneurship, particularly its focus on social innovation and collaborative processes, fosters resilience in tourism destinations. Social entrepreneurship plays a pivotal role in building tourism resilience by addressing social issues and driving innovation. Kamarulzaman & Zulkifle (2023) introduce the concept of tourism social entrepreneurship (TSE), which goes beyond traditional models. TSE tackles social problems within destinations, optimizes benefits for local communities, and leverages social innovation to min-

imize negative environmental impacts (Kamarulzaman & Zulkifle, 2023). This aligns with the concept of „Sphere of Tourism Resilience“ outlined by Cochrane (2010), which emphasizes stakeholder collaboration as a key element for resilient tourism systems (Cochrane, 2010). By fostering collaboration between local communities, social entrepreneurs, and tourism stakeholders, TSE initiatives encourage the development of innovative solutions that address local challenges and strengthen overall resilience. Social innovation, a core tenet of TSE, fosters resilience in tourism destinations by encouraging collaborative problem-solving. Partanen (2022) explores how social innovations can transform social interactions and practices, fostering resilience at the local level. Partanen highlights the importance of local tourism actors working together to develop unique and environmentally friendly tourism products through social innovation (Partanen, 2022). This collaborative approach fosters sustainable practices and community engagement, ultimately strengthening a destination’s resilience. Furthermore, Castro-Spila et al. (2018) propose a framework for integrating social innovation and sustainable tourism within higher education. Their work highlights the potential for educational institutions to equip future tourism professionals with the skills and knowledge necessary to build resilient tourism destinations through collaborative social innovation (Castro-Spila et al., 2018). Examining specific examples of social innovation in action provides further insight into its role in building resilience. For instance, Bakas (2017) explores the role of female entrepreneurs in fostering community resilience during an economic crisis. Her research suggests that feminine approaches to entrepreneurship, which often prioritize collaborative and community-based solutions, contribute to a destination’s ability to weather economic shocks (Bakas, 2017). This aligns with the concept of collaborative social innovation within TSE initiatives, where female entrepreneurs can play a significant role in mobilizing local communities to address challenges. Brune et al. (2024) examine the role of communication in building resilience among agritourism operators during the COVID-19 pandemic. Their findings emphasize the importance of communication technologies and networks for facilitating collaborative problem-solving and adaptation during crises (Brune et al., 2024). This highlights how social innovation in communication strategies, fostered through collaborative processes within TSE initiatives, can enhance resilience. Effective communication allows social entrepreneurs and local communities to share information, coordinate efforts, and adapt their tourism offerings in the face of disruptions. Social entrepreneurship, through its emphasis on social innovation and collaborative processes, offers a valuable framework for building resilience in tourism destinations. By fostering collaboration, addressing social challenges, and developing innovative solutions, TSE can contribute to a more sustainable and equitable tourism industry. Further research is needed

to explore the long-term impacts of social innovation on tourism resilience and identify best practices for integrating social innovation into TSE initiatives, particularly focusing on collaborative communication strategies and empowering female entrepreneurs.

Case Studies

The success of tourism resilience in the Netherlands and Thailand is based on strong foundational pillars: deeply rooted humanistic and social values, a historical track record of international trade and entrepreneurial mindset, and an internationally renowned ecosystem of finance and investing with a long-term horizon. These pillars highlight the importance of collaborative efforts and innovative approaches in building resilient tourism systems.

Community-Based Tourism: Empowering Local Champions for Sustainable Tourism in Thailand

Thailand, a globally renowned tourist destination, featuring diverse landscapes and a rich cultural heritage, attracted around 40 million visitors in 2019. The tourism sector significantly contributes to Thailand's economy, accounting for about 20% of the national GDP and employing over 4.2 million people. However, unsustainable tourism practices have resulted in environmental degradation, biodiversity loss, and uneven economic development, with economic benefits primarily accruing to large tour operators and external investors, leaving local communities with minimal financial gain while bearing the brunt of social and environmental impacts. The COVID-19 pandemic, while severely impacting Thailand's tourism industry, also provided an opportunity to shift towards sustainable and resilient tourism. The UNDP Accelerator Lab Thailand has played a pivotal role in promoting community-based tourism (CBT) as a sustainable tourism model. Emerging in the 1990s, CBT in Thailand emphasizes „tourism by the local people for the local people,“ empowering local communities as key decision-makers and beneficiaries of tourism development. This model ensures a balance between economic growth and socio-cultural and environmental sustainability, encompassing various tourism styles, including urban, nature, and luxury tourism, all centered on community empowerment. The pandemic necessitated a strategic shift towards domestic tourism and diversification of community offerings, aligning with new tourist behaviors favoring less crowded, nature-focused destinations. Additionally, reverse migration during lockdowns brought skilled workers back to rural areas, enriching local CBT initiatives. National-level workshops organized by UNDP Accelerator Lab Thailand, in collaboration with Thailand Policy Lab, DASTA, and Local Alike, facilitated

discussions on trends, challenges, and future directions for CBT. Key insights included expanding CBT beyond leisure tourism to incorporate educational experiences and environmental conservation, building the next generation of CBT leaders, promoting bottom-up collaborative planning, leveraging multisectoral support, and developing sustainable funding mechanisms (Rungchavalnont, 2022). Moreover, two pilot community initiatives illustrate the transformative potential of CBT. In the Chulabhorn Pattana 9 community near the Hala-Bala Wildlife Sanctuary, the CBT management team prioritized sustainable practices such as waste management and birdwatching tourism, collaborating with experts and visitors to enhance biodiversity conservation and community welfare. Similarly, the Nong San community in Northeastern Thailand, known for its indigo dye handicrafts, adopted a decentralized CBT model empowering individual micro-entrepreneurs and promoting business incubation for female entrepreneurs. Innovative waste management solutions and cross-sector collaborations have further enhanced the sustainability and economic benefits of CBT. The collaborative efforts between UNDP Accelerator Lab Thailand, Local Alike, and pilot communities have demonstrated the potential of CBT in fostering sustainable tourism. Key outcomes include enhanced community empowerment, successful integration of sustainability practices into tourism activities, increased economic opportunities for local communities, and strengthened resilience against future challenges. The experiences of Chulabhorn Pattana 9 and Nong San communities underscore the importance of community-driven approaches, capacity building, and cross-sectoral collaboration in achieving sustainable tourism. These findings highlight the need for continuous innovation and adaptation to ensure the long-term resilience of the tourism industry (Rungchavalnont, 2022).

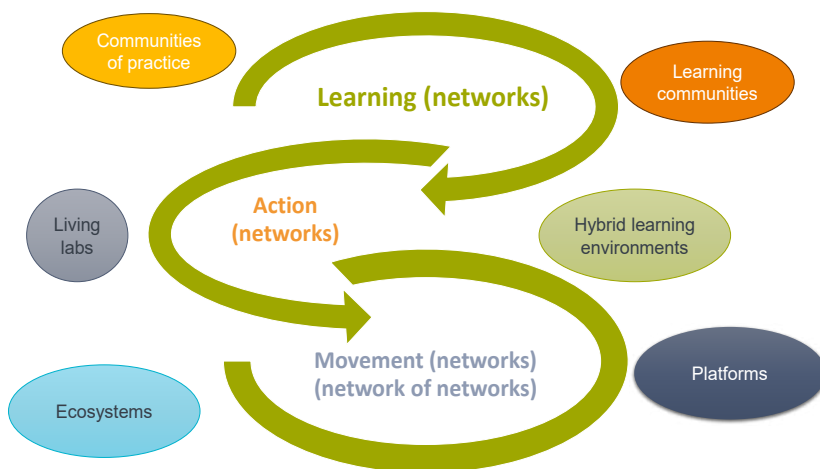
Urban Leisure & Tourism Lab Rotterdam

The Urban Leisure & Tourism Lab Rotterdam, established by the Creative Business domain of Hogeschool Inholland, exemplifies innovative urban tourism practices aimed at enhancing city life. This initiative collaborates with local authorities, businesses, residents, entrepreneurs, researchers, and students to explore how tourism can contribute positively to urban environments. The lab's primary objective is to demonstrate that tourism and recreation should extend beyond economic benefits, fostering improvements across various city sectors through intelligent partnerships and innovative solutions (Urban Leisure & Tourism Lab Rotterdam, n.d.). The Urban Leisure & Tourism Lab operates on the principle that tourism can be a catalyst for urban development. By initiating visible projects in both the city center and peripheral quarters, the lab aims to generate research outputs and practical tools for entrepreneurs, municipalities, and businesses. These projects encompass diverse areas such as education,

work, sports, culture, and healthcare, illustrating tourism's potential to address multifaceted urban challenges. The lab employs several resilience strategies, focusing on collaboration, experimentation, and multifunctional use of urban spaces. For instance, one project involved converting an unused school auditorium into a conference venue, thereby providing additional income for the educational institution. Another initiative attracted visitors to various city quarters through street art, enhancing both the area's visibility and community engagement. Additionally, the lab collaborates with local residents to develop tourist activities in less popular neighborhoods, promoting a more even distribution of visitors across the city and fostering local benefits. The lab also prepares the city for future challenges by offering digital solutions for tourism-related issues and creating employment opportunities through large-scale international events. Furthermore, by adding green spaces to urban areas, the lab not only attracts tourists but also provides recreational facilities for local residents, such as running and walking paths. This holistic approach demonstrates the lab's commitment to making tourism a solution-oriented sector that contributes to the overall resilience and sustainability of Rotterdam. Overall, the Urban Leisure & Tourism Lab Rotterdam has successfully demonstrated the value of integrating tourism into broader urban development strategies. Key outcomes include the revitalization of unused urban spaces, enhanced cultural and social cohesion through community-based projects, and improved economic opportunities for local businesses. The lab's collaborative and experimental approach has led to the creation of practical tools and solutions that can be replicated in other urban contexts. One significant lesson learned is the importance of involving local communities in tourism development. By engaging residents in the planning and implementation of tourism projects, the lab ensures that the benefits of tourism are widely distributed and that the projects are culturally and socially relevant. Additionally, the lab's focus on multifunctionality and adaptability has proven effective in creating sustainable and resilient urban environments. The lab's collaboration with other living labs across the Netherlands, such as the Urban Leisure & Tourism Lab Amsterdam, SLUISlab in Amsterdam, and Citylab Haarlem, further highlights the importance of sharing knowledge and innovations. These partnerships enhance the collective impact of tourism initiatives and provide new insights for both the academic and professional fields (Urban Leisure & Tourism Lab Rotterdam, n.d.). In conclusion, the Urban Leisure & Tourism Lab Rotterdam exemplifies how tourism can be harnessed as a tool for urban resilience and sustainability. By prioritizing community engagement, multifunctional urban spaces, and collaborative partnerships, the lab contributes significantly to the overall well-being of Rotterdam, providing a model for other cities to follow.

Discussion

The tourism industry operates within a dynamic and complex environment, frequently subjected to disruptions such as economic crises, natural disasters, and pandemics. The COVID-19 pandemic, in particular, revealed the sector's vulnerability, causing substantial economic losses and challenging the sustainability of many tourism destinations. Traditional, reactive strategies like diversification of offerings and infrastructure investments often fail to address the root causes of vulnerability. Social entrepreneurship emerges as a viable approach, integrating innovative business models with social objectives and thus transforming the reactive to a proactive nature. It fosters collaboration among local communities, tourism stakeholders, and social entrepreneurs, creating sustainable tourism products and practices. These collaborative multi-stakeholder processes, involving living labs, learning communities, and hybrid learning and practice environments, enable continuous exploration and implementation of resilient strategies. Social enterprises balance profit with purpose, enhancing the social and environmental resilience of destinations, making them more attractive to conscientious travelers. What actually happens within the social entrepreneurship process is networking from the level of learning and exchange, to action and continuous movement of everyone involved (Ehrlichman, 2022). Networks play a crucial role in enhancing resilience in tourism. The formation of value and impact networks, which build relationships across boundaries and leverage diverse skills, is essential in responding to the complex challenges of the VUCA environment (see Figure 2).



Source: Based upon Ehrlichman (2022).

Figure 2: Forms of collaborative processes (networks)

These networks support continuous interaction, enabling stakeholders to understand each other's work, find common ground, and coordinate activities to amplify synergies. Principles of resilience in tourism include fostering collaboration among diverse stakeholders, promoting sustainable practices, and encouraging social innovation. Social enterprises exemplify these principles by creating eco-friendly accommodations, employing local residents, and reinvesting profits into community development (Ehrlichman, 2022). This holistic approach ensures that tourism destinations are not only economically viable but also socially and environmentally sustainable. Collaborative multi-stakeholder processes such as the ones within experimental learning and practice environments like living labs and learning communities further support the development and implementation of resilient strategies, ensuring the adaptability and sustainability of tourism destinations in the face of ongoing challenges.

Conclusion

Building resilience in the tourism sector requires a shift from traditional, linear approaches to more adaptive and collaborative strategies. Social entrepreneurship offers a promising path by integrating social objectives with innovative business models. Through fostering collaboration and leveraging local resources, social enterprises enhance the sustainability and resilience of tourism destinations. The tourism industry has to embrace these adaptive strategies and collaborative networks to navigate the complexities of the modern world, ensuring long-term resilience and sustainability.

References

- Bakas, F. (2017). Community resilience through entrepreneurship: the role of gender, *Journal of Enterprising Communities People and Places in the Global Economy* 11(1), pp. 61-77, DOI:10.1108/JEC-01-2015-0008
- Brune, S. et al. (2024). Building Tourism Resilience through Communication, *Tour. Hosp.* 2024, 5, pp. 51-59, <https://doi.org/10.3390/tourhosp5010004>
- Castro-Spila, J. et al. (2018). Social innovation and sustainable tourism lab: an explorative model, *Higher Education, Skills and Work-Based Learning*, Vol. 8 No. 3, pp. 274-290, DOI 10.1108/HESWBL-03-2018-0032
- Cochrane, J. (2010). The Sphere of Tourism Resilience, *Tourism Recreation Research*, 35:2, pp. 173-185, DOI: 10.1080/02508281.2010.11081632
- Ehrlichman, D. (2022). Fostering Self-Organization, *Stanford Social Innovation Review*, <https://doi.org/10.48558/NFSD-5K19>

- Kamarulzaman, A., & Zulkifle, A. (2023). Tourism Social Entrepreneurship for Community Development and Resilience: A research Agenda, ASSEHR 704, pp. 93-105, https://doi.org/10.2991/978-2-494069-61-9_11
- OECD. (2022). Chapter 2. Building resilience in the tourism ecosystem. OECD TOURISM TRENDS AND POLICIES 2022, available at: <https://www.oecd-ilibrary.org/docserver/efa87744-en.pdf?expires=1717503706&id=id&accname=guest&checksum=0E237E80C431F2B79F034A9E6F53DED4>
- Partanen, M. (2022). Social Innovations for Resilience – Local Tourism Actor Perspectives in Kemi, Finland, *Tourism Planning & Development*, 19:2, pp. 143-163, DOI: 10.1080/21568316.2021.2001037
- Rungchavalnont, P. (2022). Community-Based Tourism: Empowering Local Champions for Sustainable Tourism in Thailand, UNDP, Community-Based Tourism: Empowering Local Champions for Sustainable Tourism in Thailand, United Nations Development Programme (undp.org).
- Terzieva, L. et al. (2022). How social entrepreneurship education can be fostered through the establishment of innovative learning structures on campus, Paper presented at BEE Conference 7th Business & Entrepreneurial Economics 2022, Plitvice, Croatia.
- Terzieva, L. (2023). The new VUCA realities, The new VUCA realities (youtube.com)
- Urban Leisure & Tourism Lab (n.d.). About Us. Tourism Lab Rotterdam, About Us – Urban Leisure & Tourism Lab Rotterdam