

The Economic Adjustment and Regional Development of the Tourism Sector through Foreign Direct Investments

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Abstract

Tourism is a phenomenon and sector with much room for development and innovation, which is influenced by various factors such as geographical area, market demand and existing economic conditions. Using various case studies and empirical analysis, this study establishes how FDI has indeed helped a number of countries tap their potential in tourism regional development and economic adjustment to attract international tourists and achieve sustainable economic growth over a longer period of time and how the important channels of influence are related to the transfer of technology, managerial expertise, and access to global marketing and distribution networks. It not only enhances the competitiveness of individual destinations, but also contributes to broader economic objectives of generating employment, earning foreign exchange, and alleviating poverty. The paper also investigates the varied relationship that is developed between FDI and rural tourism economies. While FDI has been effective in rejuvenating underdeveloped regions, promoting cultural exchange, and diversifying regional economies, it has also raised several concerns about environmental degradation, cultural commodification, and economic inequalities. The study identifies the critical success factors of regional trends in FDI flows through developing and developed economies: political stability, policy frameworks, and availability of skilled human capital. Results have pointed to the need for integrated policy approaches in aligning FDI inflows with regional tourism development goals and ensuring a balanced and inclusive growth path. This research contributes to the literature by relating economic adjustment of FDI and tourism's regional development, therefore providing useful insights for policy-makers, investors, and researchers, who are invited to use these findings to develop policies that enhance the future of regional tourism development and the sector's economic adjustment.

Keywords

Adjustment, Development, FDI, Regional, Tourism

1. Introduction

Tourism is an important aspect of the lives of citizens, who travel increasingly for either private or professional reasons. Tourism as an economic activity creates growth and employment around the world, contributing to the development and economic and social integration (mainly of rural and mountainous areas, coastal regions and islands, remote regions and regions in a convergence stage). It is a fact that when one thinks about successful tourist destinations, one should take into account the importance of the economic adaptation and sustainability of these destinations. What gives some destinations a competitive advantage beyond their natural resources is the economic resilience of these destinations, which contributes to their competitiveness and development. The economic adaptation of destinations has become an important topic in tourism research (Enright & Newton, 2004). The intense academic interest is essentially explained by the exponential increase in competition between destinations observed in recent decades, both nationally and internationally (Barrera-Martínez et al., 2025). The often-cited beauty of tourism, which is explained by the use of tourism as a powerful source for a country's economic development and for socio-cultural benefits (Besculides et al., 2002), has led more and more countries to progressively channel resources into the development of the tourism sector (Uyar et al., 2022). In order for the development of the tourism sector to show upward trends, investments in this sector play an important role. Various theories play an important role in the study of economic adjustment in general and in the specific context of tourism, as well as in the explanation of trade. In the specific case of tourism, Crouch and Ritchie (1999) offer a simple description of comparative advantage and competitive advantage in tourism that is mainly inspired by Porter (1985). The authors describe comparative advantage as: “*the distinctive competitive resources of a destination*” and competitive advantage as: “*the successful development of these resources*” (Crouch & Ritchie, 1999; Dal Maso et al., 2016). This distinction has been adopted by other tourism scholars (Dwyer & Kim, 2003; Barbosa et al., 2024), although it is not considered clear by scholars of economics and business in general (Neary, 2003). Economic adaptation and competitiveness find their roots at the firm level and are slowly shifting from the analysis of firms to that of places and countries (Siggel, 2006). At a micro level, the definition of competitiveness is clear (Uyar et al., 2022). The concept is considered synonymous with “*the production of more and better-quality goods and services that are successfully marketed to consumers*” (Newall, 1992; García-Sánchez et al., 2018) or described as “*the ability to maintain an organization's competitive position by satisfying customer and shareholder expectations while continuously eliminating threats and exploiting oppor-*

tunities that arise in the competitive environment” (Feurer & Chaharbaghi, 1994; García-Sánchez et al., 2018). In this sense, economic adaptation and competitiveness can only be maintained and enhanced through the continuous improvement of an organization’s offerings and capabilities (Kim, 2012). In this direction, the types of investments chosen play an important role, one of which is Foreign Direct Investment (FDI). FDI is a crucial element of international economic relations, influencing economic growth and development. Key factors driving FDI include market size and growth prospects, labor costs, regulatory environment, and political stability. Multinational Enterprises (MNEs) seek to optimize their operations by investing in countries that offer strategic advantages, such as access to new markets or availability of resources. FDI offers many benefits to host countries, such as job creation, technology transfer, and infrastructure development. It can also improve productivity and competitiveness through the introduction of new business practices and management know-how. However, they can also lead to negative outcomes, such as market dominance by foreign companies and the potential exploitation of local resources (Kastrati & Kastrati, 2024). For source countries, FDI offers opportunities for portfolio diversification and access to new markets. However, it can also lead to an outflow of capital and jobs, which can have negative economic impacts.

The influence and contribution of FDI in the tourism sector are quite crucial, especially if combined with the development of rural areas. This study aims to provide a comprehensive analysis of the economic adjustment and regional development of tourism sector through FDI. It examines the theoretical foundations of FDI’s role in tourism and tourism’s regional development, explores their practical impacts through case studies, and identifies best practices for aligning FDI with tourism development goals and more efficient regional development of the future. The analysis encompasses a number of different geographic contexts, thus putting forward the landscape of rural tourism and a wide perspective on the dynamics of FDI in tourism. Empirical evidence on the role of FDI for tourism development and regional development in general, by using cases, shows how developing countries have harnessed and not always been successful in reaping benefits. Such an analysis outlines critical factors related to governance, economic policies, and community engagement. The synthesis of findings forms policy recommendations for the attainment of sustainable, inclusive, and competitive growth in the sector. By addressing these dimensions, this paper adds to the increasing literature relating economic adjustment, FDI and tourism’s regional development, therefore providing useful insights for policymakers, investors, and researchers. The structure of this paper is as follows. Section 2 outlines the literature review by discussing concepts, which explain the economic adjustment to the international environment towards FDI and the economic adjustment of the tourism sector in general. Section 3 examines the methods used to undertake empirical research on the questions of the study. Section 4 discusses the empirical findings. Section 5 concludes with a discussion of the study’s findings, limitations, and suggestions for

further research.

2. Literature Review

The tourism industry is one of the three largest economic and social activities in the world and especially in the EU (after the trade-distribution sector and the construction sector). Tourism is linked to several sectors, resulting in its contribution to the GDP of countries increasing in percentage. The tourism industry as a sector demonstrates the need to combine economic growth with sustainable development and is distinguished into several different types and forms, such as inbound tourism, outbound tourism, agrotourism, religious tourism, ecotourism, etc. For the majority of countries, inbound international tourism is one of the most dynamic and rapidly growing sectors of their economy. No other economic activity has demonstrated, comparable to the tourism industry, a stable development over time, where its constantly increasing size requires special monitoring and treatment (Draci & Demi, 2023). Tourism is evolving into a very important factor in economic, political and cultural international relations, as well as a key factor in regulating host national economies. The modern tourism industry contains a series of characteristics that distinguish it from other sectors, such as: it is dominated by private sector businesses, it is a dynamic sector and emerges as the largest industry in the world, acquires a massive character, serves domestic and international markets, makes extensive use of technology and develops at such a pace that it creates more and new jobs, increasingly enlarging various scales of economy (Dionysopoulou, 2012).

Tourism is one of the most dynamic and fastest growing sectors worldwide, with a significant impact on economies, societies and the environment. According to Sharpley and Telfer (2002), theories of economic adjustment and development and tourism have developed almost simultaneously since the Second World War. However, few attempts have been made to link these fields (Sharpley & Telfer, 2002). This is quite important, given that tourism continues to be an important sector of economic development policy in many regions of the world (Sharpley & Telfer, 2002). Understanding the required economic adjustment in tourism is critical for stakeholders to adapt to changes, seize opportunities and mitigate potential risks. Tourism is a key driver as regards growth and the creation of economy-wide positive economies of scale. It is instrumental to job creation, economic growth, and the improvement of profitability prospects, also being a growing source of income (Okafor et al., 2022; Khalid et al., 2022). Among other interpretations, the UN Tourism (formerly UN World Tourism Organization) provides the following definition of this sector: “Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure” (UN Tourism, 2008: para. 1). Tourism is conducive

to the creation of positive prospects as regards the reduction of unemployment, as well as to cultural and socio-economic progress (McCabe & Qiao, 2020). That said, this job creation is usually associated with working conditions characterized by a certain degree of informality and low skill intensity, mainly because these jobs are of a seasonal nature and exhibit a low degree of rigor (IMF, 2021; Efthimiou, 2025b).

Despite significant progress, economic inequalities persist. Regions with lower levels of development face challenges such as high unemployment, low productivity and limited access to capital. Addressing these inequalities requires targeted policies and investments that promote regional development and economic cohesion. One of the main challenges facing the tourism sector is the need for sustainable practices. Mass tourism can lead to environmental degradation, cultural erosion, and resource depletion. The concept of sustainable tourism aims to mitigate these impacts by promoting responsible travel practices, conservation efforts, and community involvement. The most compelling reason to consider tourism as a development strategy has to do with its multi-level contribution to economic indicators. The economic adjustment of the sector as well as its regional development are linked to the investments that take place in this specific sector. A fairly widespread way of internationalization and economic adaptation to the international environment is the type of investment of Foreign Direct Investment. Various approaches have been made regarding the contribution of FDI to various sectors of the economy, one of which is the tourism industry (Domazet et al., 2024). In addition to the flow of capital, FDI is a channel for the distribution of know-how, new technologies, ideas and organizational movements aimed at stimulating the economy of the entities. Various definitions of Foreign Direct Investment have been published in the literature. The International Monetary Fund (IMF, 1977: p. 136) defines FDI as follows: “*Investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor, the investor’s purpose being to have an effective voice in the management of the enterprise*”. The main feature of FDI is the impression of either a decisive and complete or a substantial control over the operation and management of a foreign entity. FDI contributes to the creation of a relationship between the country of origin and the host country through contagion effects (Antonietti et al., 2020; Efthimiou, 2024b). Also, according to the definitions of the IMF and the OECD: “*foreign direct investment reflects the objective of acquiring a “lasting interest” by a domestic entity of one economy (direct investor) in a company resident in another economy (direct investment enterprise)*” (OECD, 2008). The “lasting interest” implies the existence of a long-term relationship between the direct investor and the company as a direct investment and a significant degree of influence on the management of the latter (OECD, 2008). Through FDI, a relationship of dependence is determined between the new and the parent enterprise, which is two-way and reflects the relationship of dependence between the two entities. Economic approaches find that FDI has direct effects on both the host and the origin country

(Hayes, 2024; Efthimiou, 2025a).

2.1. Economic Adjustment to the International Environment and FDI

There is no clear definition of the concept of Economic Adjustment in the international literature. As a concept, it can be defined as the harmonization of economic indicators and the overall course of the economy with the contemporary economic trends of the international environment and the resolution of economic disturbances and structural weaknesses.

The complex web of economic relations at the international and European level is crucial for shaping the global economy. Understanding these dynamics requires a multidimensional approach that includes trade, investment, policy frameworks and regional integration efforts. Trade liberalization is a driving force behind globalization, promoting economic interdependence (Efthimiou, 2025a). This interconnectedness has led to economic growth, innovation, and the diffusion of technology. Foreign Direct Investment (FDI) is one of the most important factors in the economic development of a country's sectors. For this reason, almost all countries in the world seek to attract it, within the framework of a highly competitive investment environment. As a rule, FDI is carried out by so-called multinational enterprises, i.e. enterprises that invest and develop economic activities in more than one country. At the same time, for an investment to be considered FDI, it must lead to the acquisition of at least 10% of the capital of a company in the host country. The foreign enterprise that carries out an FDI is called a subsidiary, while the enterprise that receives the investment is called an affiliate. An FDI can occur when a foreign enterprise reinvests the profits it earns in the host country. It is estimated that approximately 60% of FDI is carried out through reinvestment of profits abroad (Efthimiou, 2024c). The main reason that differentiates FDI from other forms of internationalization is linked to the unique competitive advantages that characterize many multinational enterprises over which they want to maintain full control. This, in principle, justifies the development of “*horizontal integration*” FDI, which aims at the production and sale of the same or differentiated product in the host country (Papazoglou, 2018). This means, on the one hand, that there are geographical conditions that justify the investment abroad and, on the other hand, that some substantial advantage arises from the joint management of these production units. Also, an important reason for undertaking foreign direct investment is to ensure the unhindered flow of raw materials (intermediate goods) from abroad, necessary for the smooth completion of the production process at the lowest possible cost. This concerns “*vertical integration*” investments, which generally aim to carry out a part of the production in the host country and re-export it. Many of the investments of developed countries in developing countries are vertical integration investments. Vertical FDI promotes the growth of international trade and enhances competitiveness. Multinationals choose different locations for different stages of production with the aim of

minimizing costs by exploiting differences in the remuneration of production factors internationally (Efthimiou, 2024c). Global value chains are the modern form of vertical FDI. Multinational enterprises have expanded international production networks by exchanging intermediate and final goods globally. 60% of world trade involves transactions in intermediate goods (Papazoglou, 2018). There are various factors that influence the uptake of FDI such as: the need to expand markets or search for new ones for the company's products, the creation of new or improvement of existing advantages in order to strengthen the company's position, the overcoming of obstacles to the free conduct of international trade, the exploitation of natural resources, the reduction of production costs and the parallel improvement of productivity, as well as the exploitation of the positive business environment of the host country (Papazoglou, 2018). Foreign direct investment is very important as it plays a significant role in the economic development of both host and source countries (Efthimiou, 2024c). Examples of the main positive effects of FDI in host countries are: the increase in investment and the formation of invested capital, the positive influence on GDP indicators, technological innovation and upgrading, and the strengthening of extroversion (Efthimiou, 2025a). At the same time, it is possible that negative effects may also arise, such as: the acquisition of a monopoly or dominant position in the market, the acquisition and subsequent closure of a business, the transfer of profits to other countries through intra-business trade in goods and services, as well as the acquisition of economic and/or political influence in the host country and the abusive exercise of this. Most studies and analyses show that the positive effects, overall, outweigh the negative ones. This is also the reason why almost all countries in the world compete in attracting FDI.

2.2. The Economic Adjustment of the Tourism Sector

Tourism contributes directly to GDP through tourist spending on goods and services. This spending supports businesses such as hotels, restaurants, transportation services, and entertainment venues.

2.2.1. Indirect and Induced Contributions

Beyond direct spending, tourism stimulates economic activity through indirect and induced impacts. Indirect contributions arise from the supply chain of goods and services that support tourism businesses, such as hotel construction companies or farmers supplying food to restaurants. Induced contributions come from tourism workers who spend their wages on local goods and services, further boosting economic growth (Cro & Martins, 2020).

2.2.2. Employment Creation

Tourism is a significant source of employment, providing jobs across a wide range of skills and educational levels. In many developing countries, tourism is one of the largest employers, offering opportunities in areas with limited industrial development. The sector's ability to create jobs extends to vulnerable groups, includ-

ing women, youth, and rural communities, making it a critical component of inclusive economic growth (Ekanayake & Long, 2012).

2.2.3. Economic Cycles and Traveler Behavior

Demand for tourism is highly sensitive to economic cycles. During periods of economic expansion, disposable incomes increase, consumer confidence strengthens, and spending on travel and leisure increases. Conversely, during economic crises, discretionary spending on tourism decreases as households prioritize essential expenditures (Efthimiou, 2024a).

2.2.4. Exchange Rates

Fluctuations in exchange rates can significantly affect tourism flows. A stronger currency makes a destination more expensive for foreign visitors, potentially reducing inbound tourism. Conversely, a weaker currency can boost inbound tourism by making the destination more accessible. For example, the depreciation of the pound following the Brexit referendum in 2016 made the United Kingdom a more attractive destination for international tourists, leading to an increase in visitor numbers (Efthimiou, 2025b).

2.2.5. Economic Policies

Government policies, including taxation, subsidies and infrastructure investment, play a key role in shaping tourism competitiveness. Countries that invest in tourism infrastructure, such as airports, roads and public transport, enhance their attractiveness as tourist destinations. Furthermore, political considerations and international air transport agreements can facilitate or hinder tourist flows (Xu et al., 2024).

2.2.6. Foreign Exchange Income

Tourism is a vital source of foreign exchange earnings, especially for developing countries. It helps balance trade deficits and supports the import of essential goods and services (Jonsson, 2022).

2.2.7. Investments and Infrastructure Development

Tourism stimulates investment in infrastructure, not only in the hospitality sector, but also in wider public services. The need to accommodate tourists leads to improvements in transport networks, healthcare facilities and communication systems, benefiting both tourists and local communities. Infrastructure development in various regions, driven largely by their ambition to become a global tourism hub, has transformed them into a leading business and leisure destination (Fauzel et al., 2017).

2.2.8. Cultural Exchange and Soft Power

Tourism promotes cultural exchange and understanding, enhancing a country's soft power. Through tourism, nations showcase their cultural heritage, values, and identity, building positive international relations and promoting global cooperation. Countries leverage their rich cultural assets to attract millions of tourists,

enhancing their global cultural influence (Xu et al., 2024).

3. Research Methodology

The paper examines from empirical studies and theoretical perspectives on the contribution of FDI to the growth and adaptation of the tourism industry. The clear research question is the economic adjustment and regional development of the tourism sector through FDI. The data bases that are explored are data bases from OECD, IMF and tourism literature in general. By a comparative bibliographic review, this study therefore collates theoretical insights and empirical studies from diverse global contexts to undertake an integrated analysis of strategies, successes, and limitations of tourism-related FDI to pursue regional development and economic adaptation to international environment. These cases have been chosen because they showcase varied strategies for tourism-related FDI and regional communities and development. Also, through this process, the findings show the importance for integrated policy approaches in aligning FDI inflows with tourism growth and economic adjustment and how regional development of this sector could be achieved. Also, this process, put forward recommendations for effective policy interventions that may contribute to the tourism sector's economic adjustment, resilience and regional development in the international development.

3.1. The Relationship of Tourism Sector and Foreign Direct Investments

3.1.1. Service Quality and Innovation

Skill Development and Workforce Training

Foreign investors can help develop the skills and capacities of local tourism workforces. MNCs implement systematic training programs comprising industry-specific expertise, resulting in higher quality of service to open career opportunities to employees. The hospitality academies set up by international hotel chains in underdeveloped countries have given out thousands of employees with globally recognized certificates (Adeola et al., 2020). Skill development initiatives also encourage entrepreneurship among local stakeholders by establishing ancillary businesses, such as tour operations or craft shops. Additional economic opportunities are created, strengthening the resiliency of local economies through diversification (Adeola et al., 2020; Malik & Latif, 2021).

3.1.2. Knowledge Transfer and Innovation Diffusion

Entrepreneurial Ecosystems

FDI-backed tourism projects often create ecosystems that nurture entrepreneurship (Ilie, 2015; Satrovic & Muslija, 2019). By integrating local suppliers into global value chains, foreign investors provide opportunities for Small and Medium-Sized Enterprises (SMEs) to expand their reach. For example, international hotel chains source food and beverages from local farmers, boosting rural incomes and fostering economic inclusion.

3.1.3. Multiplier Effects

Cultural Exchange and Preservation

Through FDI, tourism projects can encourage cultural exchange and preservation. Most international partnerships promote activities that celebrate the culture of the local people through museums, cultural festivals, and even artisanal markets. Such initiatives might have targeted international tourists but also created opportunities for the communities to showcase and prolong their traditions. The cultural tourism programs are examples where FDI played an important role in the preservation of architectural and historical treasures and the presentation of unique experiences to guests (Rasit et al., 2020; Xu et al., 2024).

3.1.4. Regional Case Studies

1) Asia-Pacific: Unlocking Potential through FDI

Indonesia: Expanding Beyond Bali

Indonesia's "10 New Balis" initiative exemplifies the role of FDI in regional tourism development. By channeling foreign investments into infrastructure and hospitality projects across lesser-known destinations, Indonesia aims to reduce over-reliance on Bali and promote equitable growth (Tabash et al., 2023). Besides, FDI has supported community-based tourism initiatives in Indonesia through the equipping of local communities with the means to manage and benefit from tourism enterprises. Partnerships with foreign investors have facilitated access for small-scale operators into international markets that enhance their competitiveness and profitability (Tabash et al., 2023).

2) Africa: Leveraging Natural Assets for Growth

Rwanda: A Rising Star in Sustainable Tourism

Rwanda's tourism sector has experienced remarkable growth, driven by FDI in luxury eco-lodges and mountain gorilla trekking experiences (Adeola et al., 2020; Sarialioğlu Hayali et al., 2021; WTTC, 2024). Emphasis on such aspects as sustainability and conservation has wooed investors in responsible tourism practices.

Success in Rwanda underlines the need to align FDI with national priorities and environmental objectives. However, how to keep a balance between growth and conservation remains an important challenge that requires continuous consultation among stakeholders (Adeola et al., 2020; Sarialioğlu Hayali et al., 2021; WTTC, 2024).

3) Europe: High-Value Tourism and Innovation

Iceland: Sustainable Growth in Tourism

FDI has played a significant role in Iceland's tourism boom, funding infrastructure projects such as geothermal spas and eco-friendly accommodations (OECD, 2020b; WTTC, 2021). These investments have made Iceland's rapid growth more sustainable, although it faces challenges related to overcrowding. The solutions have ranged from timed entry systems to visitor education programs. The Icelandic experience indicates that with this form of pro-active management, the host countries can ensure more significant benefit accretion due to FDI (OECD, 2022; Jonsson, 2022).

4) Small Island Developing States (SIDS): Resilience and Innovation

Fiji: Community-Based Tourism

In Fiji, the projects supported by FDI have targeted community-based tourism, with high levels of community involvement in the decision-making process and operations. Initiatives such as community-managed marine protected areas have packaged conservation with significant economic benefits, creating models for pro-poor and sustainable tourism development. These regional case studies present the transformative power of FDI in tourism development. While there are many successes, challenges on environmental sustainability, distribution of benefits, and cultural concerns raise several strategic management issues. Lessons from these experiences can help policymakers create customized approaches to leverage the potential of FDI while responding to its intricacies (FaladeObalade & Dubey, 2014; Fauzel, 2021; WTTC, 2024).

3.1.5. Challenges of FDI in Tourism

1) Environmental Impacts

Habitat Destruction

The construction of tourism infrastructure, such as airports, hotels, and recreational facilities, can result in the destruction of natural habitats. Coastal developments, in particular, often disrupt marine ecosystems, leading to long-term ecological damage (Hall, 2008; OECD, 2020a). In several areas, unregulated construction along coastlines has damaged coral reefs and mangrove forests, highlighting the environmental costs of unchecked tourism expansion (Arain et al., 2020). Similarly, deforestation in mountainous regions to accommodate new resorts has disrupted local ecosystems and endangered species (Ilie, 2015).

Carbon Footprint

FDI-fueled tourism often involves significant carbon emissions, particularly from transportation and energy-intensive activities. The expansion of international airports and the influx of long-haul flights contribute heavily to global carbon emissions (UNWTO, 2018). Destinations, which rely on high-energy luxury tourism, face increasing scrutiny over their environmental sustainability (Lee & Brahmasrene, 2013). Promoting carbon-neutral tourism and investing in renewable energy solutions can mitigate these impacts (Lee & Brahmasrene, 2013; Wang et al., 2022).

2) Economic Risks and Dependency

Global Market Vulnerabilities

FDI ties local tourism sectors to global markets, exposing them to fluctuations in demand, currency exchange rates, and geopolitical tensions (Dunning, 1988; OECD, 2020a). For instance, sanctions or travel bans can abruptly reduce tourist inflows, destabilizing economies dependent on FDI-funded tourism projects (Hall, 2008). The ongoing conflict in Ukraine, for example, has disrupted tourism in Eastern Europe, affecting destinations that rely heavily on Russian tourists (UNWTO, 2018).

3) Governance and Regulatory Challenges

Policy Inconsistencies

Frequent changes in government policies can deter FDI or create uncertainty for investors. Consistent, investor-friendly policies that align with sustainable development goals are essential for attracting high-quality investments (Fauzel, 2021). For instance, long-term incentives for eco-tourism projects can encourage sustainable practices while ensuring steady investment flows. Policymakers must also consider integrating local input into policy development to enhance community buy-in and compliance (Hanafiah & Zulkifly, 2019; Arain et al., 2020; Jonsson, 2022).

4) Ethical and Human Rights Concerns

FDI-driven tourism projects can raise ethical and human rights issues, particularly in contexts where local communities are marginalized or excluded from decision-making processes (UNWTO, 2018; OECD, 2020b).

Land Acquisition and Displacement

The acquisition of land for tourism projects often displaces local communities, leading to social tensions and loss of livelihoods (Hall, 2008; Ilie, 2015). In some cases, indigenous populations are disproportionately affected, with limited recourse to legal protections (Ekanayake & Long, 2012). International organizations can play an advocacy role in the call for equitable land-use policies, placing community rights at the forefront. Around the world, there have been successful challenges to FDI projects that threatened indigenous lands.

Exploitation of Vulnerable Populations

Tourism projects may also exploit vulnerable groups such as women, children, and migrant workers. Human trafficking, child labor, and sexual exploitation are major concerns in countries with poorly administered governments. Legal frameworks and international cooperation to overcome these challenges need community involvement so that it can be achieved a set of business principles on how to prevent sexual exploitation (Sokhanvar & Jenkins, 2021; Jonsson, 2022).

Exclusion from Decision-Making

The exclusion of local communities from decision-making processes over FDI projects creates tensions that may boil over into resistance. In a collaborative planning model, the integration of local stakeholders is to be considered to reflect community needs and aspirations in tourism projects. Partnerships between rural communities and foreign investors in the tourism sector have produced several successful and culturally sensitive projects (Sokhanvar, 2022). The challenges related to tourism FDI make balanced and inclusive approaches to investment management quite necessary (Wedayanti & Pulungan, 2023). Efforts towards environmental, social, economic, and governance concerns will enable stakeholders to maximize the benefits of FDI while minimizing its negative impacts (Munir & Iftikhar, 2021). Strong regulatory frameworks, community engagement, and sustainable practices are critical to ensuring that FDI contributes to equitable and resilient tourism development. The political leaders, investors, and communities should come together to develop tourism models that are respectful of cultural

heritage, environmentally viable, and promote common prosperity (Florido-Benítez & del Alcazar Martínez, 2024).

3.2. Tourism Sector's Regional Development

Tourism creates direct and indirect jobs, from the hospitality industry to local crafts and transport services. In remote and rural areas, where employment opportunities may be limited, tourism can be a vital source of income. Enhancing local employment contributes to the development of human capital, offering opportunities for education and training in the tourism sector (Efthimiou, 2025c). Tourist spending on local products and services creates economic multiplier effects, which benefit the local economy more broadly. Local businesses, such as restaurants, shops and producers of local products, benefit directly from tourism (Anzules-Falcones et al., 2024). In addition, secondary effects increase demand for local services and products, promoting the growth of Small and Medium-Sized Enterprises (SMEs).

3.2.1. Challenges and Opportunities of Tourism Sector's Regional Development

1) Infrastructure and Accessibility Challenges

Tourism development requires investment in infrastructure, such as transport networks, communications and health services. These improvements benefit not only tourists but also the local community, improving the quality of life and promoting economic activity. Such infrastructural deficits in less-advantaged rural communities may cause a vicious circle in underdevelopment, whereby a lack of digital access negatively affects tourism potential and hence economic growth (Cooney & Licciardi, 2019).

2) Community-Based Tourism for Economic and Social Empowerment

In several countries, CBT has enabled rural women to earn incomes through homestay accommodations, handicrafts, and food preparations and has, therefore, made tourism a gender equalizer and community development (Dabson, 2001; Martini et al., 2020).

3) Social and Female Entrepreneurship in Rural Tourism

For instance, it is very easy to find social entrepreneurs who open tourism-related businesses that donate a portion of their profits to community projects or create jobs that provide opportunities for disadvantaged groups. In Trentino, Italy, tourism enterprises created by female entrepreneurs have displayed local artisan traditions, food, and community networks by placing women at the forefront of sustainable rural tourism development (Marchesoni & De Ros, 2009; Martini & Buffa, 2020).

4) Agri-Tourism as a Link between Agriculture and Tourism

Agri-tourism is tourism added to agricultural activities that provide rural entrepreneurs with a business model that could favorably impact sustainability for farming and tourism businesses alike. It enables tourists to explore rural life through direct activities such as fruit picking, wine tasting, or farm-to-table dining

(Lupi et al., 2017; Aleffi et al., 2020). This provides an additional source of income to farmers and offers a learning experience about agriculture to guests. It also allows visitors to purchase locally available produce, hence providing a direct outlet for rural produce and reinforcing the local economy in that process. Indeed, experts observe that it diversifies the sources of income for households in rural areas and also provides a stabilizing force for farming as it reduces dependence on unpredictable crop markets (Lordkipanidze, 2002). Equally important, agritourism offers an opportunity for increased environmental stewardship awareness and that of sustainable food production. For instance, rural entrepreneurs may practice organic or regenerative farming methods and then package their farms as environmentally friendly destinations to appeal more to tourists who appreciate the concept of sustainability (Efthimiou, 2025c). This type of tourism fits well within the global trend of sustainable consumption and responsible travel and thus is a good opportunity for rural entrepreneurs to seize in a bid to capture the attention of environmentally conscious visitors (Lordkipanidze, 2002; Lupi et al., 2017).

3.2.1.5 Cultural Exchange and Preservation of Cultural Heritage

Tourism promotes cultural exchange and contributes to the preservation of local cultural heritage. Visitors have the opportunity to experience and appreciate local culture, enhancing cultural understanding and international cooperation. Furthermore, tourism revenues can be used for the maintenance and protection of cultural monuments and traditional arts (Alali et al., 2024).

3.2.2. Case Studies and Best Practices

1) Female Entrepreneurship in Trentino, Italy: Cultural and Experiential Tourism

These businesses are not only bringing economic opportunities but also contributing much to preserving cultural heritage. By engaging younger people in tourism projects, including, where possible, educational programs, these women entrepreneurs raise the awareness of new generations about their traditions. Equally enriching, the fact that women entrepreneurs in Trentino very often network and create business synergies—so that the artisan shops might tie in with local inns, while culinary tours complete the offering. These networks add to the strengths of the community and have proven to be developing one kind of tourism brand that attracts those interested in real cultural exchanges (Martini et al., 2020; Martini & Buffa, 2020).

2) Tourism Routes in South Africa: Clustering Attractions for Economic Growth

The South African tourism route initiatives, such as the “Open Africa” project, showcase the power of clustering attractions in promoting rural tourism. These routes link attractions across several communities and allow the tourists to experience a cohesive product that represents the full natural and cultural diversity of the region. They create a sound foundation of small businesses, such as guest-houses, restaurants, and craft shops, benefiting from the regular stream of tourists along the route (Lourens, 2007). The tourism routes have economic effects that

go rather deep. Indeed, according to studies, revenue for rural businesses has increased, jobs have been created, and even population retention has been maintained in rural areas (Efthimiou, 2025c). Linked to less-visited places along the scenic routes, Open Africa's work has also seen a greater degree of cultural engagement by tourists with the local people. Yet, developing these routes was fraught with on-the-ground issues of government support, co-ordination among eclectic stakeholders, and the ability of road infrastructure to respond to heightened tourism traffic. Local businesses have had to adjust to this flow by creating coordinated marketing strategies and partnerships to keep visitors' interest alive. It also reinforces the clustering effect by maximizing economic benefits, solidifying community cohesion, and driving businesses along these routes to work together to uphold standards of quality that will keep visitors returning time after time (Briedenhann & Wickens, 2004).

3) Community-Based Tourism in Thailand: Social and Economic Empowerment

Villagers are trained to become tour guides, artisans, and hospitality personnel to equip them with jobs and build more resilient communities. The model of CBT also promotes environmental awareness, whereby guides educate tourists on the best practices that minimize environmental damage, such as water conservation and avoidance of harming wild animals. The success of CBT in Thailand lies in its collaborative governance, whereby community leaders, tour operators, and NGOs collaborate to balance economic goals with the preservation of culture (Mottiar et al., 2018; Chatkaewnapanon & Lee, 2022).

4) Agri-Tourism in Tuscany, Italy: Supporting Farmers and Rural Development

Since agri-tourism often sells local produce directly to the tourists, it cuts out the middleman-the large-scale distributor-and places farmers in control of prices and quality. Besides being commercially viable, many of these farms also export their products internationally, thus creating brand equity for the Tuscan products in the global marketplace. Overall, agritourism has served as a very workable model to integrate the economic, educational, and environmental objectives in establishing a sustainable rural economy, preserving the agricultural heritage of Tuscany (Md Sharif & Tuan Lonik, 2017; Lupi et al., 2017).

5) Social Entrepreneurship in Rural Ireland: Leveraging Tourism for Community Development

Through social entrepreneurship, nature trails, eco-lodges, and cultural centers have been developed that not only attract tourists but are designed to provide residents with jobs and skills training. At the core of social entrepreneurship in rural Ireland, there is a partnership-building activity between social enterprises, local governments, and NGOs; these latter would provide a supportive ecosystem for the social entrepreneurs by acting as "network architects" that link different actors and coordinate resources for community-based tourism (Mottiar et al., 2018).

4. Results and Discussion

4.1. Best Practices and Policy Recommendations

4.1.1. Incentivizing Sustainable Investments

1) *Mandatory Environmental Impact Assessments (EIAs)*

Requiring comprehensive EIAs for all FDI-backed tourism projects ensures that potential environmental risks are identified and mitigated. These assessments should include:

- Detailed analysis of resource consumption, waste generation, and potential impacts on biodiversity (Hall, 2008; Dufey et al., 2008).
- Mitigation strategies and contingency plans to address identified risks (OECD, 2021).

Countries enforce rigorous EIAs as part of their sustainable tourism strategy, ensuring that all development aligns with conservation priorities (UNWTO, 2018). There is also the potential for developing international guidelines on EIA through such bodies as the United Nations World Tourism Organization based on collaborative work on developing practices that all nations can follow in creating global consistency for sustainable development (WTTC, 2024).

If incentives for sustainable investments are pursued, then not only will FDI be aligned with wider development aims by policymakers, but also economic benefits will not come at the expense of environmental and social well-being. This prepares the grounds for a balanced tourism sector responsive to evolving challenges on a global scale. A focus on collaboration innovation, and inclusivity ensures that FDI supports the growth of the tourism industry, while preserving cultural and ecological treasures for future generations (Anuradha et al., 2024).

4.1.2. Strengthening Local Participation

Moreover, it allows them to become co-creators of models of sustainable tourism, which guarantees the success and coexistence of investors and residents over the long term. An embedded focus on local engagement also reduces the detriments to cultural commodification and environmental degradation, while the benefits of tourism are enhanced by economic growth that is inclusive and respectful to culture (Sokhanvar, 2022).

1) *Ensuring Cultural Preservation*

Promoting Authentic Experiences

Tourism projects that highlight and respect local traditions foster cultural pride while attracting visitors seeking authentic experiences. Strategies include:

- Collaborating with Artisans: Supporting local craftspeople to create and market traditional products (Craigwell & Moore, 2008).
- Cultural Festivals: Investing in events that showcase music, dance, and cuisine unique to the region (Craigwell & Moore, 2008).
- Heritage Tourism: Developing programs that protect and promote historical sites and indigenous knowledge (Işik, 2015).

By incorporating cultural experiences into tourism offerings, investors can create unique value propositions that differentiate their projects while promoting lo-

cal heritage (Li et al., 2017).

Protecting Intangible Heritage

FDI projects must safeguard intangible cultural heritage by ensuring that:

- Local rituals and practices are preserved rather than commodified (Wang et al., 2022).
- Community elders and cultural custodians are consulted in tourism development (Wang et al., 2022).
- Education initiatives raise awareness about the value of cultural heritage (OECD, 2020b; WTTC, 2021).

Programs that provide funding for cultural preservation projects, such as museums and traditional art centers, can ensure that local heritage remains vibrant and integral to the tourism experience (Lanza et al., 2003).

2) Facilitating Benefit Sharing and Transparency

Equitable Revenue Distribution

Ensuring that tourism revenue benefits local communities is vital for fostering trust and collaboration. Mechanisms include:

- Community Development Funds: Allocating a portion of tourism profits to fund schools, healthcare, and infrastructure.
- Profit-Sharing Models: Providing communities with direct stakes in tourism ventures (WTTC, 2024).
- Tax Revenue Allocation: Earmarking taxes from FDI-backed projects for local development.

Innovative models, such as performance-based profit-sharing schemes, can link community benefits to project success, incentivizing collaboration and shared accountability (Jamshed et al., 2024).

Transparent Reporting

Regularly publishing reports on the economic, social, and environmental impacts of FDI projects builds trust and accountability. Transparent metrics can include:

- Job creation statistics.
- Revenue allocated to community initiatives.
- Environmental impact assessments (Efthimiou, 2024c).

Digital dashboards and real-time reporting tools can enhance transparency, allowing stakeholders to track progress and outcomes effectively (Adeola et al., 2020). Strengthening local participation in tourism projects driven by foreign direct investment is thus a means of making development sustainable and inclusive. Empowering the community through decision-making processes, job creation, entrepreneurship, and cultural heritage preservation, the stakeholders can create tourism models that benefit everyone. Such approaches build resilience, equity, and long-term success, making FDI a force for good in the global tourism sector (Raeskyesa & Suryandaru, 2020).

4.1.3. Enhancing Regulatory Frameworks

1) Aligning with Global Standards

Promoting Regional Cooperation

Regional collaboration can harmonize regulations, making cross-border tourism initiatives more efficient (UNWTO, 2018). For instance:

- Shared visa policies, such as the East African Tourist Visa, streamline travel across multiple countries.
- Joint environmental conservation efforts protect shared ecosystems.

Creating regional forums for regulatory alignment enables countries to address common challenges collectively, fostering stronger partnerships and more cohesive tourism strategies (WTTC, 2023).

2) Protecting Local Communities and Cultural Heritage

Safeguarding Land Rights

Regulations must protect local land rights to prevent displacement and exploitation (UNWTO, 2018). Strategies include:

- Requiring investor agreements to include fair compensation and resettlement plans for affected communities.
- Establishing land-use zoning laws that prioritize local needs over commercial interests.
- Ensuring community consultation and consent before project approval.

By integrating land rights protections into regulatory frameworks, governments can balance economic development with social equity, minimizing the risk of conflicts and fostering community trust (WTTC, 2023).

Cultural Preservation Policies

Regulations should enforce measures to protect cultural heritage from commodification or destruction (OECD, 2021). Governments can:

- Mandate cultural impact assessments for tourism projects.
- Support initiatives that integrate cultural preservation into tourism offerings.
- Penalize projects that violate cultural heritage protections.

Encouraging investors to collaborate with local communities on cultural tourism initiatives can enhance authenticity while generating mutual benefits (OECD, 2022).

3) Public-Private Partnerships (PPPs) for Skill Development

Knowledge Transfer Agreements

Requiring foreign investors to include knowledge transfer initiatives in their agreements ensures that skills and expertise are shared with local workers. These initiatives can include:

- On-the-job training during project implementation.
- Mentorship programs pairing international experts with local employees.
- Workshops on emerging trends and technologies in tourism (WTTC, 2021).

Community-Based Training

Bringing training opportunities directly to communities ensures accessibility. Mobile training centers, for example, can reach rural areas, equipping residents with skills to participate in eco-tourism, cultural tourism, and other niche markets (UNCTAD, 2007).

4) Monitoring and Evaluating Skill Development Programs

Tracking Outcomes

Governments and investors should establish metrics to evaluate the effectiveness of skill development initiatives. Key indicators include:

- Employment rates of program graduates.
- Career progression and income growth of trained individuals.
- Participant feedback on program quality and relevance (Fauzel, 2021; WTTC, 2021).

Continuous Improvement

Regular assessments and stakeholder consultations can identify areas for improvement. Updating curricula, incorporating new technologies, and responding to industry trends ensure that programs remain relevant and impactful (OECD, 2022).

4.1.4. Encouraging Community Involvement and Ownership

The various community-based models for tourism enterprises have already succeeded in ensuring sustainability for rural tourism. The governments and NGOs should advocate for the ownership of projects by communities, which ensures that the economic benefits are equitably distributed. This could be through setting up cooperative ownership arrangements whereby locals collectively operate tourism enterprises, evidenced in the various successful models of community-based tourism operating in some countries (Mottiar et al., 2018). Tourism project planning needs to be opened to local leaders and residents for a sense of community buy-in. Community councils comprising representatives of the different social and demographic groups can be instituted to govern all tourism activities (Ivona, 2021). In this respect, such an inclusive approach raises a sense of ownership and accountability whereby tourism projects are designed with community values and priorities in mind. Such training programs for community leaders on how to manage tourism in a more sustainable manner could further empower them to make knowledgeable decisions regarding tourism development (Koyana & Mason, 2017).

4.1.5. Expanding Digital Infrastructure and Marketing Support

Shared online platforms developed by national tourism boards will enable businesses in rural areas to feature offerings, thereby enabling tourists' discovery and booking of experiences in rural areas (Utami et al., 2023).

4.1.6. Developing Educational Programs for Skill Building and Tourism Management

Strengthening human capital for rural tourism can also be complemented by education and training institutions through the provision of courses and certification programs in vocational schools and universities (Soare et al., 2017; Mănescu et al., 2024).

4.1.7. Implementing Monitoring and Evaluation Systems

This may be done in terms of periodic evaluations with a view to seeing the weaknesses and lacunae in their policies with regards to arresting or preventing degra-

dation of the environment through its commoditization due to tourism development. Indicators related to a wide array of variables, such as the distribution of income, employment rates, and environmental health, will give an all-rounded picture about tourism impacts on rural communities (Mănescu et al., 2024). These processes should also include the active participation of local stakeholders at several levels, from community leaders and entrepreneurs down to residents, to make sure that feedback captures ground-level realities. Transparency in reporting on evaluation results can help engender trust in the community for adaptive management practices responsive to emerging challenges. Continuous monitoring of progress allows policymakers and communities to make evidence-based adjustments towards the long-term sustainability of rural tourism projects (Khan et al., 2012; Fortunato, 2014).

4.2. Impact Assessment and Success Metrics in Rural Tourism Economic Adjustment and Development

4.2.1. Economic Impact: Job Creation, Income Generation, and Economic Diversification

Added to that, diversification from various sources of income derived from tourism, for example agri-tourism, eco-tourism, and cultural events, all contribute to measuring the level of resilience achieved in economic terms. Economies reliant on fewer sectors are more viable since shocks in the demands of tourism would have less impact on the economy in its entirety (Apostolopoulos et al., 2020).

4.2.2. Social and Cultural Impact: Social Cohesion, Community Engagement, and Cultural Preservation

Indicators might consider the number of cultural sites preserved, the level of involvement in cultural festivities and events, and the extent of sustainability regarding traditional crafts and practices. This can enable a check on cultural preservation so that tourism does not end up with the eradication of local identities but rather promotes responsible interaction with the cultural heritage. Communities that are involved in defining how their culture is represented to the tourists show greater resilience and adaptability towards the expansion of tourism (Dabson, 2001; Kubičková et al., 2017).

4.2.3. Environmental Sustainability: Resource Conservation, Biodiversity Protection, and Environmental Footprint

Moreover, biodiversity care, such as protection of natural habitat and wildlife, shows the situation in most eco-tourism models. Protected area coverage, the success of habitat restoration projects, and the health of local flora and fauna populations provide quantitative measures of environmental impact. Regular environmental impact assessments, including pollution, carbon emission, and land use change indicators, are required to make sure that the resources of rural tourism are not jeopardized (Jamal & Dredge, 2014; Anzules-Falcones et al., 2024).

4.2.4. Indicators for Policy and Planning Effectiveness

Performance indicators for policy interventions and support mechanisms in rural

tourism may include the number of tourism businesses established, the rate of grant or loan take-up, and the number of participants in government-subsidized training programs. The impact of policies also can be measured at a more macro level by monitoring regional economic development, infrastructure improvement, and improvements in residents' quality of life as a function of tourism-related development (Mosiiuk et al., 2023). Furthermore, performance measurement regarding public-private cooperation either in terms of the number of joint projects completed or in the form of the economic return from collaborative projects enables one to glean how different support systems for cross-sectoral collaboration can perform. Regular checks on policy effectiveness ensure that tourism interventions remain relevant for changing needs in rural communities and enable the policymakers to adjust strategies towards optimum outcomes (Briedenhann & Wickens, 2004; Mosiiuk et al., 2023).

5. Conclusion

The interaction between the global economy, international economic relations and European economic development is complex and multidimensional. Understanding these dynamics is essential for policymakers, businesses and stakeholders to navigate the challenges and opportunities of the future. As globalization, technological advances, and geopolitical changes continue to reshape the economic landscape, collaboration and innovative approaches will be critical to achieving sustainable and equitable economic growth. In this direction, decisions and management concerning the tourism industry, which is one of the most important factors in the modern international economic environment, cannot differ (Bhatt et al., 2024). The future of tourism is being shaped by a convergence of technological developments, sustainable imperatives, an emphasis on health and wellness, experiential and transformative travel, and changing demographics. Tourism stakeholders must adapt to these trends by embracing innovation, promoting sustainable practices and meeting evolving traveler preferences. In this way, they can ensure the resilience and growth of tourism in an ever-changing global environment (WTTC, 2024). The relationship between the global economy and tourism is deeply interconnected, with one influencing and shaping the other. Tourism acts as a powerful engine of economic growth, providing employment, stimulating investment and promoting cultural exchange. At the same time, the health of the global economy determines the vitality of tourism, influencing traveler behavior, investment flows and the competitiveness of destinations (Wang et al., 2022). As the world navigates economic uncertainties and environmental challenges, sustainable and inclusive tourism practices will be key to realizing its full potential for global economic growth. In this direction, decisions regarding the economic adjustment and regional development of tourism sector through FDI play an important role. Foreign Direct Investment (FDI) has been a game-changing context in upgrading the infrastructure of tourism, enhancing the quality of services, and fostering growth indirectly. This paper discusses the multirole of FDI

in tourism, from theoretical evidence to practical impacts and challenges arising after FDI and the challenges and opportunities of the tourism sector's regional development. This article explores the best practices and offers concrete, actionable recommendations on how FDI can make a strong contribution to the tourism sector and share the proceeds of sustainable and inclusive regional development and economic adjustment. The involvement of micro-financing in rural tourism and the lending structures in cooperatives allow the identification of grassroots financing practices that are effective in raising community involvement and helping local entrepreneurship (Apostolopoulos et al., 2020). Further, researching the role of local governance can delve into how policies should protect the rural business economy from downturns. For example, maybe local governments can establish training programs on crisis management, hence allowing entrepreneurs to deal with unexpected setbacks due to weather-related impacts or global events that hurt tourism. Collaborative ventures can also deepen community participation and rally stakeholders together in the design of resilient tourism projects for holistic benefits to rural areas (Ivona, 2021). In the globalized business environment, economic entities resort to the solution of foreign direct investment to find new areas that have more productive resources and factors. Something similar is happening in the tourism industry. Policies related to the economy and tourism and which use FDI as a means have an impact in various ways such as: affecting competitiveness and the sustainability of the economic and tourism system, are linked to tourism-related industries, contribute to the improvement of resources that enhance the competitiveness of tourism (infrastructure, human resources) and other sectors of economic activity, affect the behavior of demand and supply, have an impact on many sectors (including tourism), even if they do not target one economic sector, affect areas where tourism is a significant economic sector, are designed for resources that are important to tourism, benefit industries that are competitive with tourism in terms of key resources and are intended for the formation of tourism as an engine of socio-economic development in certain regions, areas and cities, while they have been created for the tourism industry as a whole or for specific tourism businesses that are part of it (Mylonopoulos & Moira, 2011). Many countries worldwide consider tourism as an open door to economic development. International tourism, as already mentioned, is an industry characterized by rapid growth, providing many opportunities, both for businesses and for countries. This is why countries are so open to tourism FDI and encourage it so actively. As a result, many trade fairs and other promotional activities are organized, investors in the hotel sector, or management companies are attracted with tax and financial incentives, while measures are taken to ensure public-private sector partnerships (Tziallas, 2021). However, sometimes countries do not consider policies that would allow them to benefit more from the FDI they attract. FDI in tourism not only provides many opportunities, but also creates great costs. Apart from this, tourism has proven to be resilient in years of crisis, however, it can be unstable and unprotected in case of external shocks, such as wars, pandemics, over which

destinations have no control. In this sense, the implementation of FDI tourism projects is also vulnerable to such shocks. This means that, even with a good policy approach to promoting tourism FDI, it must be treated with due care (Tziallas, 2021). The relationship between regional development and tourism is dynamic and interdependent, offering opportunities and challenges for local communities. Tourism can act as an engine of regional development, creating jobs, strengthening local economies and promoting cultural exchange. However, to ensure sustainability and long-term success, local communities must address environmental, social and economic challenges through strategic planning and participatory governance. Strengthening capacities, promoting alternative forms of tourism and protecting cultural and natural resources are crucial to maintaining the balance between tourism development and regional prosperity. The future of FDI in tourism depends on the capability of FDI to create long-term value for all stakeholders. Also, regarding the connection between FDI and the tourism sector, other positive additions, such as technological transfer, skill development, and integration into the global marketplaces of FDI in tourism, are considerable added values. The research has some limitations: the adaptation of tourism sector towards FDI, the regional development of tourism sector, the regional case studies and the challenges and opportunities of tourism sector's regional development. Finally, future research should focus on the comparative recording and presentation of the new form of tourism sector and how FDI and regional development could change it. Also, such studies in the future may provide ways through which rural communities can adopt wellness tourism in a sustainable manner by researching the effects of this industry on local well-being and how tourism modifies social cohesion and values within the community, where such a traditional lifestyle forms an essential part of an individual's identity. This will contribute to communities finding models of tourism development that support cultural integrity, while at the same time fostering economic growth.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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