



EFFECTS OF TOURISM: GENTRIFICATION

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Abstract: Behavioural finance investigates the psychological and sociological issues that influence the process of decision-making of individuals, groups, and organizations. This paper discusses the general principles of behavioural finance in tourism investors such as financial cognitive dissonance, overconfidence, prospect theory, and regret theory, which are the source of mistakes and errors in business. Those who invest in tourism (tourism companies and hotel facilities) should be aware of the biases associated with the general principles of behavioural finance to be able to resolve these "mistakes and errors" when choosing the investments matching their personality traits.

• Introduction

Gentrification or gentrifying – a concept that celebrated its 60th anniversary in 2024 – has been defined as "the process by which certain working class areas and neighbourhoods in cities are transformed into residential, recreational or other uses for the middle and upper-middle classes, with the consequent substitution of one social group for the other"; "a social process that seeks to use a range of aggressive global scale strategies to reclaim urban centres for the middle and upper classes"; "a social phenomenon whereby an area's existing residents are alienated by rising real estate prices"; "arrival of new highly-skilled and/or high-income residents, changes in the urban landscape, displacement of population with lower resources, and existence of public and/or private capital investment"; "one of the classical and main forms of the urban project of modernity"; "replacing the resident population in a neighbourhood with one of higher socioeconomic status"; "the passage of the neighbourhoods located in the centre of the city, of a state of relative poverty, with limited real estate investments, to a reinvestment with social and urban mutation"; "a lower income population replaced by one of a higher status", "population from lower socio-economic status being replaced by a higher status population"; "synonym for touristification", "the process of upper-class population moving in working-class neighbourhoods"; "the phenomenon whereby residents of popular areas are driven out as a result of local development"; "increase in real estate prices and displacement of original residents, because of the influx of middle-class inhabitants from other areas"

• Material and method

The material use in his study consists in articles and books on the phenomenon of gentrification to define it and to establish its typology. The research method use is bibliographic.

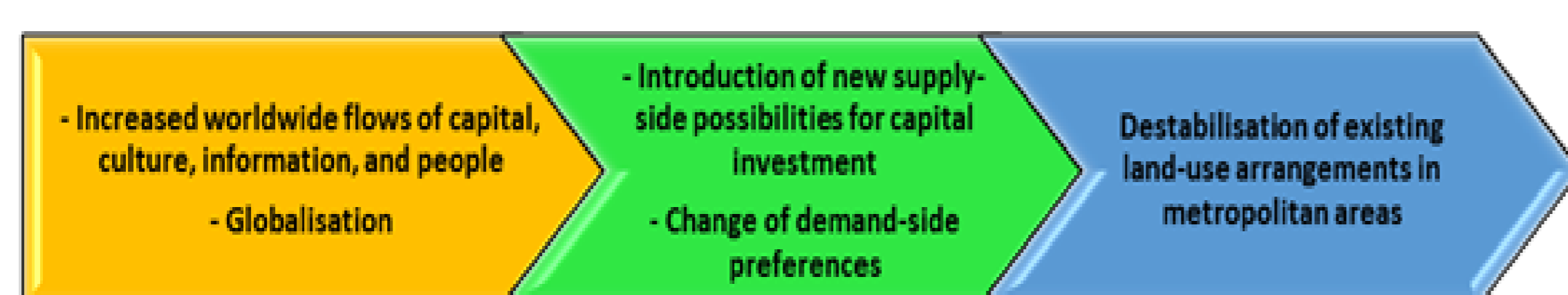


Figure 1. Process of gentrification

• Results and discussions

The most common relevant processes related to gentrification are: commodification ("the action or process of treating something as a mere commodity [a useful or valuable thing]" – Oxford Languages) and expansion of "tourist-oriented and youth-oriented nightlife in central areas of the city"; "demise of traditional retail and small-scale artisan manufacturing replaced by tourist-led businesses"; increasing marginalisation of "undesired" consumptions, practices and presences because of the zero-tolerance policies of urban governance; "increasing tensions in local real-estate markets, provoking an increasing spatial displacement of lifelong lower-class residents"; "material and symbolic dispossession of residents caused by the rapid touristification of their neighbourhoods"; relationship between "urban touristification" and the promotion and implementation of "gentrification policies"; "role of urban development policies in touristifying the post-industrial city by favouring the expansion of (de-)/(un-)regulated peer-to-peer economic activities such as Airbnb apartments".

- Commercial gentrification, which consists in eliminating "sub-standard housing and in reducing population densities in the historic centre by enabling changes in land use – from residential to commercial: creating new parks, putting aside land for future developments linked to infrastructure renewal," setting up a real estate market, and widening roads; is the result of preserving and reusing urban heritage assets; supposes the integration of contemporary commercial architecture into historic settings;

• Conclusions

The study of literature dedicated to gentrification allows the following conclusions:

- Gentrification / gentrifying has been defining in various ways and there is no definition unanimously accepted for this process;

- Gentrification is related to several relevant processes: commodification, "demise of traditional retail and small-scale artisan manufacturing replaced by tourist-led businesses," increasing marginalisation of "undesired" consumptions, practices and presences because of the zero-tolerance policies of urban governance, "increasing tensions in local real-estate markets," "provoking an increasing spatial displacement of lifelong lower-class residents," material and symbolic "dispossession of residents caused by the rapid touristification of their neighbourhoods," relationship between "urban touristification" and the promotion and implementation of "gentrification policies", "role of urban development policies in touristifying the post-industrial city by favouring the expansion of (de-)/(un-)regulated peer-to-peer economic activities such as airbnb apartments".