

## CHAPTER ONE: INTRODUCTION

### 1.1 SIGNIFICANCE OF THE TOURISM INDUSTRY

The history of tourism can be traced back thousands of years. Tourism has passed through different stages, from the world's first recorded international tourist, the geographer and historian Herodotus (480–421 BC), via the Olympic Games, the first organised form of athletic tourism, first held in 776 BC, the explorer Christopher Columbus (1451-1506), the day trippers of the late nineteenth century, to the emergence of organised travel in 1948. Peters (1969) stated:

International tourism is the largest single item in the world's foreign trade, and for some centuries it is already the most important export industry and earner of foreign exchange (p.3).

Thirty years later, tourism is still a widespread activity in the developed world (Wahab and Pigram, 1997; Cooper et al., 1998) and a leading economic force for many countries. Indeed, a rapid increase in real incomes and leisure time and advances in technology have increased the demand for recreation and holidays for considerable numbers of people. Thus, in 1998, worldwide arrivals reached 625 million, tourist receipts (excluding air transport) were estimated at US\$445 billion and employment at 230.8 US\$ billion (WTO, 1999a). In 2010, it is estimated that tourist arrivals will reach one billion, tourism receipts US\$1,550 billion and employment 328.4 US\$ billion (WTO, 1999b).

Inevitably such a large-scale activity has both positive and adverse consequences to the economy, environment and society of the receiving destinations and therefore tourism has been referred to as a 'revolution' (Hague Declaration on Tourism, 1989). On the positive side, tourism is considered a tool of economic regeneration and a medium for heritage and environmental preservation, creation of infrastructure, cultural communication and political stability (Ioannides, 1995a; Squire, 1996). On the other hand, since the tourism product is consumed at the

same place of production, tourism development has come under criticism for various social and environmental strains experienced by receiving destinations and host populations, such as environmental degradation, cultural pollution, commercialisation of human relations and negative demonstration effects.

## **1.2 TOURISM IN ISLANDS AND HOST COMMUNITIES**

By their very nature islands face a number of inherent disadvantages. They are small in size with declining populations; they suffer from isolation, peripherality, external dependency and diseconomies of scale; they are rural in character; and they have a scarcity of resources, meaning mainly that their alternatives for industrialisation and self-sustaining growth are limited (Butler, 1993a; Pearce, 1995a; Royle and Scott, 1996; Cross and Nutley, 1999).

While many rural areas of the mainland share these problems, offshore islands have the impediment of a marine barrier. An island location cannot compete on quite equal terms with mainland locations, because incoming tourists have to add a transportation cost, often requiring a transfer from one mode of transport to another (Royle, 1989; Royle and Scott, 1996). Therefore, air and sea transport are crucial to the linking of islands with the outside world and with each other, and advances in air and sea transport have positively contributed to the opening of new tourism markets which were not accessible in the past (Abeyratne, 1997).

However, why do so many people visit island destinations at great expense to experience beaches, sea and sun, when the same can be experienced close to home, often at much less expense? (King, 1997) It may be small islands' confined space where, sometimes all corners can be reached by walking, and their relatively large coastline in relation to their land mass that makes them different from adjoining mainlands and increases their appeal to the minds of visitors. "The feeling of separateness, of being cut off from the mainland, is an important physical and psychological attribute of the successful vacation" (Baum, 1997, p.21). According to King (1993) "an island is most enticing form a land. Symbol

of the eternal contest between land and water, islands are detached, self-contained entities whose boundaries are obvious; all other land divisions are more or less arbitrary” (p.14). As a result, although tourism has effects on all communities, island communities may be subject to more intense pressures because of their ‘contained’ nature. When tourists visit an island, the number of inhabitants increases, creating often severe problems.

Despite some commonalities, islands can vary considerably because of their size range and scale of their separation or isolation (Royle, 1989; Schofield and George, 1997). “Some are so large as to not have the feeling of islands at all” and others “cease to exist as true islands, perhaps following the construction of bridges” (Schofield and George, 1997, p.5). In a literal sense, “smaller islands often face severe problems of how to provide their inhabitants with a living from an absolutely restricted resource base and/or find restrictions placed on their development because of the lack of, or shortage of, a necessary resource such as water” (Royle, 1989, p.111). Limited visitor capacity, fragility and self-containment means that tourism activity puts profound pressure on human life and islands’ sensitive and unique environmental resources.

Most of the time, multinational companies, (e.g. tour operators and international hotels) control the development process and decide whether to encourage tourism. As a result, local involvement in tourism development is often at a low level, and because of the smallness of island economies, the leakage of foreign exchange earnings very high (Wilkinson, 1989; Butler, 1996; Lockhart, 1997a). On the other hand, Butler (1993a) and Ioannides (1995a) report that because of a lack of diversity in their resources, most island destinations depend overwhelmingly on the three Ss (sun, sand and sea), and only a number of larger island destinations (e.g. Cyprus and Jamaica) are enriched with the resources (e.g. interior mountains) that allow them to sell a diversified tourist product.

However, if islands have so many deficiencies in developing the tourism industry, why do their governments seek to promote the industry through both public and

private development? It is evident that growing tourism demand opens new opportunities for island development. Due to the increase in the real incomes of the island populations and the generation of employment, governments have seen tourism as a promising opportunity for reducing the prosperity gap between themselves and developing countries, and as a means of modernising their economic base and retaining their population and community welfare.

According to Murphy (1980a) “tourism is an industry which uses the community as a resource, sells it as a product, and in the process affects the lives of everyone” (p.1). The community as a product is an amalgam of the destination’s resources. Therefore, Murphy (1985, p.37) suggests that the product produced and sold by a community should be a ‘community tourist product’, it should be the one which the community, as a whole, wishes to present and sell to the tourism market. To achieve this, Murphy (1985) identifies various considerations, of which the most pertinent to this study is the consideration of social and cultural effects, for the reason that the industry is dependent on the local community’s hospitality, and therefore it should be developed according to the host community desires and needs. Since community attitude is essential for visitor satisfaction and repeat visitation (Swarbrooke, 1993), the measurement of the host community’s perceptions of tourism development plays a vital role in the future success of a destination.

Murphy (1985) proposes three additional considerations of equal importance. Firstly, accessibility and environmental considerations are vital because of the direct dependency of the tourism industry on environmental resources and connectivity with tourist-generating countries. Secondly, financial and investment considerations are an essential part of the tourism industry, although they have to ensure environmental conservation. Finally, planning is important for the management of the previous issues and the balanced development of the industry in the community. All the above considerations have a significant effect on community perceptions as they can determine the impacts of tourism development to the host community.

### 1.3 FOCUS, AIM AND OBJECTIVES OF THE RESEARCH

In recent years, tourism research into island destinations has grown rapidly. This is attributable mainly to two factors. First, the significance of tourism for the economy of many island destinations. For example, INSULA (2000) estimates that for 70 percent of European islands, tourism is the mainstay of their economies, in a third accounting for more than 50 percent of their Gross Domestic Product. Second, for many researchers, islands hold a particular attraction, because they provide excellent 'laboratory' conditions for the study of international tourism growth where theories can be tested and processes can be observed in the setting of a semi-closed system (King, 1993; Ioannides, 1995a).

Most published research on island tourism development has taken place in the Caribbean islands (Bryden, 1973; Hills and Lundgren, 1977; Chen-Young, 1982; Seward, and Spinard, 1982; Wilkinson, 1987; Weaver, 1993; McElroy and de Albuquerque, 1998), and the Pacific islands (Crocombe and Rajotte, 1980; Farrel, 1985; Britton and Clarke, 1987; Choy, 1992; Milne, 1992; Milne, 1997; Milne and Nowosielski, 1997), and tourism research on Mediterranean islands has been mainly focused on Malta (Boissevain, 1977; 1979; Young, 1983; Oglethorpe, 1985; Lockhart and Ashton, 1990; Boissevain, 1996; Briguglio and Briguglio, 1996; Lockhart, 1997b) and Cyprus (e.g. Andronikos, 1986; Ioannides, 1992; Kammass, 1993; Andronikos, 1993; Ioannides, 1994; 1995b; Akis et al., 1996; Lockhart, 1997b). For the remaining Mediterranean islands (e.g. many Greek islands, Corsica, Balearics, Sicily and Sardinia), despite the importance of tourism to their economic base, few, if any, researchers have investigated the impacts of increased tourist development. The reason for this is that data for islands, which are constituent parts of metropolitan countries, are often aggregated within the country and cannot be separated. On the contrary, data on island micro-states, which are separate political units, are quite easy to find.

This study will attempt to contribute to tourism research in relation to islands which are constituent parts of metropolitan countries, by focusing on the Greek island of Crete, a developing island with an important, if not a dominant, tourism industry. Crete has expanded its tourism industry to a greater degree than any other region of Greece. Tourism in Crete amounts to approximately 25 percent of foreign tourist arrivals to Greece and generates 58 percent of the total travel exchange in the whole country, although its share of the national total hotel beds is less than 20 percent (HNTTO, 1998; RITTS, 1999).

In the literature, there are many studies surveying attitudes of residents towards tourism development (e.g. Allen et al., 1988; David et al., 1988; Ap, 1990; King, et al., 1993; Getz, 1994; Johnson et al., 1994; Bastias-Perez, 1995; Madrigal, 1995; Akis et al., 1996; Hernandez, et al., 1996; Korca, 1998; Lawson, et al., 1998; Mason and Cheyne, 2000). However, there is limited research on the opinions of other community groups, such as local authorities and businesses. If the three groups are in disagreement (e.g. residents may disagree with the type and extent of tourism which local authorities promote), the goal of balanced community development cannot be achieved because decisions are taken without incorporating the mutual support and understanding of the whole community. Therefore, to achieve a consensus tourism policy, it is essential to appreciate each group's perceptions and preferences, living and operating within the tourism community (Lankford, 1994, p.35).

The major shortcoming of existing secondary data on the island of Crete is the lack of relevant information concerning local community opinions of tourism development. Despite the positive and negative outcomes derived from tourism development, community opinions have been neglected for decades. This, in conjunction with the significance of tourism for the economic activity of the island, as an insular and peripheral Greek region, makes Crete an appropriate site for the study.

Many authors have proposed various models, or amended existing models (e.g. Miossec, 1977; Butler, 1980; Gormsen, 1981; Hovinen, 1982; Young, 1983; Meyer-Arendt, 1985; Richardson, 1986; Martin and Uysal, 1990; Getz, 1992; Ioannides, 1992; di Benedetto and Bojanic, 1993; Johnson and Spengler, 1993; Weaver, 1993; Butler, 1997) for predicting the tourism development of a destination or community. Additionally, there is a growing body of research concerned with the impacts of tourism and the perceptions of the community, although there is a void in the research on how to influence the tourism development and planning process of a destination which is needed to mitigate the negative impacts of tourism on the community. By designing the process necessary to develop and implement tourism development, the impacts and the contribution of tourism to the destination can, to an extent, be predicted. As this study investigates tourism as an important tool of development in island destinations, the investigation of the tourism development and planning process is considered essential, since many island locations have seen tourism as a panacea for underdevelopment problems. As a result, research that marries tourism with island community development is essential in order to explain how tourism can be used as a development tool.

In order for tourism to be used as a development tool for the island of Crete three issues should be considered:

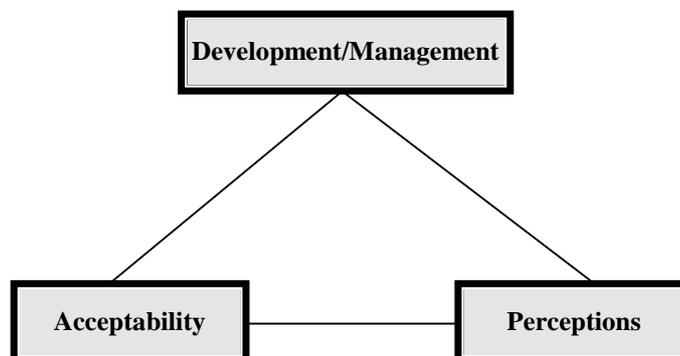
- Commercial viability. For the commercial sector to be viable, it is necessary to ensure its profitability through tourism spending and various incentives (e.g. modernisation of enterprises);
- Place/environment is the context of tourism and therefore its preservation should be ensured. Usually tourists are attracted by well-preserved environments and therefore the sustainability of resources is vital for the viability of the tourism industry;
- The host population. For tourism to be successful it has to be accepted by the residents who receive the benefits and the costs associated with tourism expansion.

The support for tourism can be measured by the perceptions of the local population which can dictate the extent of the host community's acceptability of tourism. The three groups of people who are important in tourism development are:

- business people (who seek their enterprises to be viable);
- the residents (who through their support contribute to the success of a tourist destination); and
- the local authorities (who desire the development of tourism in accordance with their plans and objectives, e.g. environmental preservation, taxation, employment generation).

Bearing in mind the importance of the local population to the success of future development, the current study was undertaken to measure the perceptions of the Cretan community. By doing this, the aim was to identify host acceptability of tourism development and to use perceptions as a guide for the future tourism development/management of the island. As Figure 1.1 indicates, acceptability, host perceptions and development/management, are the three key issues for the future of the Cretan tourism industry, as well as the tourism industry of many other tourist receiving destinations worldwide.

Figure 1.1: The three key issues of the future of the Cretan tourism industry



The overall aim of this research is to examine the local community's views of tourism development, in an attempt to establish overall directions for tourism

development and to suggest effective tourism strategies and policies to alleviate problems resulting from previous unplanned tourism development.

To achieve this aim, the objectives of this research are:

- to investigate the components of the tourism development and planning process;
- to analyse the perceptions of the host population, tourism entrepreneurs/managers and local authorities of tourism development and to study the conditions under which tourism could expand further without any increase in negative effects;
- based on the literature review and the research findings, to propose a rationale/framework for the tourism development and planning process;
- based on the tourism development and planning process framework and the study of community perceptions, to recommend effective policies and strategies that will contribute to the designing of a community tourism product for the island of Crete.

#### **1.4 OUTLINE OF THE RESEARCH**

This thesis is divided into eleven chapters. Following this introduction, Chapter Two and Three focus on the theoretical background by investigating the components of the tourism development and planning process. Chapters Four and Five trace the development and planning process in the case of Crete, focusing upon an overview of past studies evaluating Cretan tourism, in the context of Greek tourism. Chapter Six offers an evaluation of the methodology, with attention to research design, data collection and the analysis process. Chapters Seven, Eight and Nine turn to an analysis of the data collected in 1997 from the surveys of three community groups (residents, owners/managers of tourism businesses and local authority officials). Chapter Ten discusses the findings of the previous chapters by proposing a framework of options of tourism development and planning process for Crete, and the final chapter, Chapter Eleven, provides

conclusions and discusses policy implications and strategies for the balanced tourism development of the island. Finally, future areas of research arising from this study are suggested.