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# Identifying and Assessing Tourism Impact Factors on Localities and their Nations: With Illustrations from Santorini

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## ABSTRACT

Inspired by the island of Santorini in Greece, the purpose of this thesis is to identify the range of positive and negative impacts that tourism has on a host place. This thesis will use the range of impacts to create a framework through which a systematic assessment can be made. This is important, as tourism is the fastest growing industry in the world, and provides employment and foreign currency to the host place as well as contributing to its country's gross domestic product, or GDP. However, tourism often has negative impacts as well, but these are often overlooked in favor of the economic benefits.

This study identifies major factors of tourism impacts on host places, based on a review of the literature, illustrates them based on a study of the island of Santorini in Greece, and creates a framework to assess these impacts. The study extracts factors from three main areas: economic, socio-cultural and environmental. It then organizes these factors into a framework to assess systematically the impact of tourism in order to understand the magnitude impact of tourism on the island. The study, in a "snapshot", draws attention to the magnitude of tourism impact in a comprehensive way. It will, hopefully, also help planners and administrators elsewhere to determine what can be done to capitalize on the positive impacts of tourism and mitigate its negative impacts.



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## **Chapter 1: Problem Statement, Methodology and Thesis Structure**

### **1.1 Problem Statement**

In the last thirty years, tourism has emerged as the dominant industry of many places around the world. Tourism drastically changed places that in the past had few if any natural resources or opportunities for economic development. Tourism provided many positive economic and social impacts otherwise impossible. Yet, tourism created a number of negative impacts as well. These negative impacts can be so insidious that they could erode many of the resources of a host place. The very same resources that attract tourism many times can be eroded and therefore cause the loss of tourism. The problem is that many tourist destinations tend to overlook the negative impacts of tourism and instead only focus on the economic benefits that tourism undeniably produces for them. There is no better example to illustrate this harrowing trend than the island of Santorini in Greece.

Santorini is an island in the Aegean of unparalleled beauty created by a volcanic eruption 3,500 years ago. The eruption produced a steep caldera on which residents built houses, hotels, restaurants, and bars to take advantage of the one-of-a-kind dazzling views. Today over 500,000 tourists from around the world annually flock to Santorini to enjoy the beauty of the island. Yet, the influx of tourism while promoting the economic health of the island has brought with it just as many negative impacts. Streets are overcrowded, sanitation and electricity are both stretched beyond capacity, the water is undrinkable, litter covers the streets, and ubiquitous tourist establishments have replaced the traditional culture and land uses of the island. In short, tourism has stretched the limits of Santorini beyond capacity, and replaced its unique culture. These negative impacts of tourism threaten the tourism industry of Santorini itself. However, Santorini and many places like it have not only no strategy or vision of how to plan and manage tourism



development, but also they are often blinded by the economic benefit, and they overlook the negative impacts of tourism. Thus, this thesis identifies major factors of the positive and negative impacts of tourism on local or host communities and their nations, creates a framework to assess these impacts and uses Santorini to illustrate the magnitude of these impacts. In doing so this will help planners, administrators and citizens to fully understand the impacts of tourism on their specific locality so that they can assess and determine the appropriate practices the could help capitalize on the positive impacts and alleviate the negative ones.

Tourism is a multidisciplinary field that involves many entities on the local and national levels; therefore, the development of tourism involves many actors and stakeholders on the two aforementioned levels. Tourism is defined by Goeldner et al as “the sum of the phenomena and relationships arising from the interaction among tourists, the tourism industry, host governments, host communities, origin governments, universities, community colleges and non-governmental organizations, in the process of attracting, transporting, hosting and managing these tourists and other visitors” (Weaver et al. 2002, 3). Covering the impact of tourism on all involved entities is beyond the scope of this study; instead this study is narrowed to investigate the impact of tourism on host communities and host governments. Thus, this thesis investigates the range of potential impacts of tourism, assessing them in regard to localities and their nations. This study will seek to identify the major factors of tourism impact and to answer the following questions: How does tourism impact a host place? Who benefits from this impact? What are the factors and how do we assess their impact on a host place? What are the economic, socio-cultural, and physical factors that affect the development of tourism facilities? And how can we assess the benefit on the local and national levels? Answering these questions, we can develop strategies on how to capitalize on the benefits of tourism developments and minimize the negative impacts.

The author's interest in this subject was borne out of summer work on the island as a team member of the University of Cincinnati Sustainable Development Program in Santorini Greece, summer 2004. The team performed a rapid, but thorough, assessment of Santorini's current tourism development and its impact on the physical natural and built environment (University of Cincinnati Sustainable Development Team, 2004).

## **1.2 Methodology**

According to the World Travel and Tourism Council, tourism is the world's largest generator of wealth and jobs. Thus, tourism is here to stay, and it is a much-needed element in boosting the economy of many countries--especially small states and islands with limited resources to generate revenue. The complex interaction of tourism and the destination produce a web of impacts; some of them are positive and some are not. In fact, tourism constitutes a complex of diverse and fragmented components that relate to every visible and invisible aspect of life. Some of these impacts can directly benefit the local community and some not, but they nevertheless will consume its resources. This thesis will identify both the tourism players as well as investigate the factors of tourism impact, and shed some light on how they impact a host place, whether positively or negatively, on both the local and national levels.

In order to assess the impact of tourism on a host place, it is necessary to identify the specific factors in the three major areas chosen for analysis: the economy, the socio-cultural milieu, and the natural and built environment. It is also necessary to investigate how and whom these factors influence in a host place. The areas of influence are numerous and entangled, and to cover them in depth fully is beyond the scope of this work. To clarify, this thesis organizes the types of potential impacts of tourism into the economic, socio-cultural, and environmental

categories. Each of these categories covers many components and aspects because tourism is holistic in nature, and many components in these categories overlap and coincide forming an integrated, dynamic whole (Mieczkowski 1995, 3). A definition of each category follows and will help us understand its role and impact on a place. However, the extent to which a host place will benefit more or less depends on the impacts of those factors on the expanding opportunities of local and national entities in the development and management of tourism. Consequently, the factors and their impacts will be assessed with regard to the role of local and national entities that are running the tourism industry, and it is important to identify those entities/stakeholders that are running the tourism industry along with the identification of the tourism impact factors. First, however, it is necessary to define critical terms to be used in this thesis.

*Economics* is the science that deals with the production, distribution, and consumption of wealth, and with the various related problems of labor, finance and taxation (Rypkema 2002, 5). Many national and local governments use tourism as an economic tool because it offers opportunities for work, income and revenue for the host place. The economic relationship between travelers and tourist destinations is best depicted through the concepts of supply and demand. Using rational economic logic, if governments and businesses decide to rely on tourism for economic gain, they must understand travelers' demands and then allocate their resources to supply these demands.

*Socio-Culture* is manifested through religion, festivals, costumes, cuisine, arts and crafts, architecture, music, dance, folklore and literature. It is also manifested through monument and site-built attractions, which are the testimony of a people's history (<http://www.wto.org>. Accessed 15 April 2005). Many travelers are curious to learn about how people live and interact

in an environment different than their own. Inevitably, this kind of traveling brings tourists and locals to a certain level of interaction. This interaction could have positive and negative social and cultural impacts as well.

*Environment* comprises all the natural and built physical components of man's surroundings. The natural environment is what exists in nature, including climate and weather, the land and its soils and topography, geology, water features, flora, fauna and ecological systems (Inskeep 1991, 339). The built environment is comprised of man-made physical features, mainly all type of buildings, structures, and infrastructure development, as well as archeological and historic sites (Inskeep 1991, 339). In fact, there is a close relationship between tourism and the environment. Tourism capitalizes and thrives on a good environment. The intrinsically attractive natural environment and artfully built one are major attractions of tourism. Natural unspoilt scenery, beaches, mountains, ancient monuments, traditional, picturesque towns and villages and many more factors are the primary inputs to the production of the tourist product (Briassoulis 2000, 3). Tourism, if well planned and controlled, can help maintain and improve the environment and, if unplanned it could pose serious environmental risks.

*Local Community/Local Government/Local Stakeholders:* comprise both the public and private entities involved in the local tourism industry. They include the local government and the private entrepreneurs of a city or island that plan, manage, serve and maintain tourism development and they supply the demand of tourists. The local community benefits most from tourism if the indigenous residents have the capital and manpower to run the industry. Often this is not the case because the tourism industry requires a large amount of capital that is many times beyond the economic means of the local community government and local businesses and investors.

*National Stakeholder/Policies:* include the nationwide tourism trends and policies, as well as public and private tourism entities that make up the tourism industry. On the national level, these are the policies that are issued by the government to encourage tourism and help in updating the infrastructure to facilitate the operation of tourism development. Private national stakeholders are the individuals or groups of individuals that invest their capital in tourism businesses around a nation. Therefore these private national tourism stakeholders are often not the residents of the host place or locality in which they invest their tourism capital.

Methodologically, this study is carried out in three phases. Phase I concerns the history of tourism, and tourism on Santorini. This is accomplished through searching literature on tourism to discover the possible impacts of tourism on visited destinations. The literature review covers books, articles, and website data which are systematically assessed to identify the three major areas of economic, socio-cultural, and environmental impacts on tourist destinations. Primary factors of these aforementioned areas are identified that influence tourism developments and their impacts on the national and local levels. Phase II applies the factors elaborated upon in Phase I to assess the island of Santorini. This is done using the data collected on Santorini during the summer of 2004. The data collected include observations, interviews with elected officials and some governmental and private business entities, and reports translated from Greek about the island. These data are assessed according to the identified factors for two purposes: first, to help understand the magnitude of tourism impact on Santorini; second, to make sure that the data collected are sufficient or if more data are needed. Phase III creates a framework as a checklist approach to assess the factors of tourism impact on both the national and local levels.

### **1.3 Structure of the Thesis**

This thesis comprises eight chapters. The first chapter identifies the problem, methodology and structure of this study. The second chapter offers an overview of the history of tourism and the current literature on tourism. The third and fourth chapters present an overview of the literature on the positive and negative impacts of tourism developments and begin to develop a framework for assessment. Chapter Five, then, takes the factors identified in the previous two chapters and specifies a framework to systematically assess the impact of tourism on host places. This framework is intended to be of use for any tourist study. The Sixth chapter assesses tourism impacts on Santorini Island in light of the identified factors, while Chapter Seven applies the specific framework to Santorini. Chapter Eight contains the conclusions and guidelines developed out of the findings of the overview of tourism impacts. While this study may not produce conclusive results, it provides good insight on the range of impacts of tourism on a host place. It also identifies for future research the kinds of data that are needed to assess the impacts of tourism on host destinations.

## **Chapter 2: The History of Tourism**

### **2.1 Ancient to Renaissance Tourism History**

The stimulus for tourism is ancient; the Greeks and the Romans enjoyed leisure traveling. The Ancient Greeks started traveling with the development of the Olympic games in 776 BC (Page 2003, 27). The Romans created the resort and spa-tourism industry: leisure facilities such as spas, baths, and resorts were popular destinations with both plebeian and patrician Romans (Page 2003, 27). According to Page, tourism in Greco-Roman times focused on urban space where the resorts and facilities existed (Page 2003, 27). After the demise of the Roman Empire and with the spread of Christianity, festivals and events-based tourism stimulated traveling and also pilgrimage traveling to the Holy Land (Page 2003, 28). The Greeks and the Romans traveled domestically to urban places for leisure, sport and celebration while the Renaissance people traveled to international places such as Paris, Turin, Florence, Naples and Rome. In the Renaissance, people sought knowledge and education to expand the human mind through learning about classical antiques, art, architecture and philosophy (Page 2003, 29). Yet, this expansion of each individuals learning was only for the rich. Although tourism in Roman times was for all kinds of people, the Renaissance brought the separation of upper class tourism from middle class tourism. The turning point in class tourism was the emergence of the European Grand Tour in the sixteenth century (Page 2003, 28). The Grand Tour destinations included mainland Europe with its rich history, architecture, arts and culture. These European Grand Tour travelers were mostly young aristocrats, often accompanied by tutors, in pursuit of culture and education (Page 2003, 29).

### **2.2 Tourism From The 19<sup>th</sup> Century to the Second World War**

Contemporary tourism started in the eighteenth century with the emergence of transport technology such as the paddle steamers in the 1820's, and the railway in the 1840's, which made coastal area destinations accessible (Page 2003, 35). The number of middle class travelers increased as workers for the first time had holiday time in their jobs and access to coastal resorts via transportation. Middle class workers began to take more extensive trips by the 1850's (Page 2003, 35). Tourism development grew in many coastal destinations with the emergence of commercially organized tourism. Thomas Cook organized the first package tours in England in 1841, primarily utilizing the Victorian railway system with railway tours to Scotland in 1848 and overseas tours in the 1850's. He also organized first tours to America, and passenger cruises on the River Nile followed in 1880's (Page 2003, 36).

Mass tourism, as we know it today, is a product that emerged after World War II. This period saw the birth of the jet airliner as well as growth in income, leisure time, and opportunities for international travel (Page 2003, 41). Unlike any other kind of tourism, this mass tourism created high demands on destinations that were ready to do anything to attract tourism.

According to Page, many tour operators were created, adding more pressure on tourist destinations. At the beginning traveling was for the privileged wealthy and upper class for the sake of culture and education, but it later became accessible to a wide range of the population, regardless of their wealth, for the sake of fun and leisure.

The impact of tourism on a host place varies with the predominance of different types of tourists. Educational and cultural tourism tend to have the most interaction with the host place, its population and natural assets. These tourists stay longer and invest in the host community. Mass tourism often is transient and tends to consume resources more than produce spending



since the majority of spending has been pre-paid by the tourist as part of a packaged tour. The packaged tour in many ways benefits the originating place more than the destination. However, tourism remains an economically viable tool for many countries.

Many countries and regions have turned to tourism as a viable economic development strategy. Tourism is a “smokeless” industry (e.g. an industry that provides a labor based service), which creates employment, income, foreign exchange, and increases government revenues through different types of taxation. Tourism, since the end of the Second World War, has become one of the world’s largest industries (Mieczkowski 1995, 1). Tourism has dramatically affected the development of many countries and islands around the world. However there is enough evidence that this smokeless industry has not been harmless to the local culture, environment and even to the economy of the host place.

Prior to 1960, planning for tourism was as simple as establishing good connections in order to reach tourist destinations, and to build hotels and restaurants that accommodate travelers. As an economic development tool, this type of planning worked when tourism was manageable; however, with the growth of mass tourism in the late 1960s, such planning was no longer feasible. In fact, the practice of mass tourism weighs heavily upon the resources of the host place; so heavily, in fact that this style of tourism is not sustainable. Mass tourism has created the need for quick, unplanned, and unregulated tourism development, which tends to occur with adverse impacts. It encroaches upon pristine open spaces and the agricultural base. Such unbridled tourism development damages the architectural and cultural heritage of existing communities (Mieczkowski 1995, 2).

### **2.3 The Present Day Tourism Industry**

Tourism has continued to grow in the late twentieth century and the new millennium despite many dramatic changes in world events and trade. According to the World Travel and Tourism Council, tourism remains the world's most prevailing industry and is expected to generate US\$ 6,201.5 billion of economic activity in world in 2005, growing to US\$ 10,678.5 in 2015 (<http://www.wttc.org>. Accessed 15 April 2005). Travel and tourism statistics for 2005 show that demand is expected to grow by 5.4 percent in 2005 and by 4.6 percent per annum between 2006 and 2015 (<http://www.wttc.org>. Accessed 15 April 2005). The world travel and tourism industry is expected to contribute 3.8 percent to the Gross Domestic Product (GDP) around the globe in 2005 (US\$ 1,712.4 billion) rising in nominal terms to US\$ 2,660.6 billion (3.9 percent of total) by 2015 (<http://www.wttc.org>. Accessed 15 April 2005). Travel and tourism's total economic contribution should rise from 10.6 percent (US\$ 4,745.7 billion) to 11.3 percent (US\$ 7,798.7 billion) in this same period (<http://www.wttc.org>. Accessed 15 April 2005). World tourism employment is estimated at 221,568,000 jobs in 2005, 8.3 percent of total employment or 1 in every 12 jobs worldwide (<http://www.wttc.org>. Accessed 15 April 2005).

In European Union countries, travel and tourism is expected to grow 4.1 percent in 2005 and by 4.1 percent per annum between 2006 and 2015 (World Travel and Tourism Council Website, 2005). Tourism economic activity is expected to generate US\$ 2,272.9 billion and account for 11.5 percent of GDP of the European Union countries; tourism is expected to create 24,300,700 jobs (12.1% of total employment) (World Travel and Tourism Council Website, 2005). According to Apostolopoulos et al 2001, in 1998, 625 million tourists traveled internationally, with 60 percent choosing European destinations, especially the Mediterranean region (Apostolopoulos et al 2001, 7).

### 2.3.1 *Tourism in the Mediterranean*

The number of tourist arrivals to Mediterranean countries rose from 86 million in 1975 to 125 million in 1985, and over 200 million in 1990; it has now passed 250 million (Apostolopoulos et al 2001, 7). The Mediterranean region remains the world's primary tourist destination, accounting for 40 percent of all international tourist arrivals, and 30 percent of all tourism revenues (Apostolopoulos et al 2001, Page 7) See Figure 2.1. Of all twenty-one countries that compose the Mediterranean region, the coastal zones account for one-fifth of the world's total arrivals--not counting day-trippers (Apostolopoulos et al 2001, Page 7).

The Mediterranean coastal region has always been a center of tourism because of its rich history of being the cradle of many civilizations: Arab, Byzantine, Carthaginian, Egyptian, Greek, Phoenician, and Roman (Apostolopoulos et al 2001, 5). In addition to its rich cultural heritage, the region is also endowed with outstanding geographical characteristics: the sea, the sandy beaches, the sun, the mountains, and the mild weather. Hence, tourists who seek the ancient culture, history, sun, sea, and fun have always been drawn to the Mediterranean coast and its islands.

The Mediterranean coastal areas typically rely on the agricultural economy--a system of low wages and poverty-- which limits their economic opportunity. Therefore, tourism is used in the Mediterranean as a catalyst for economic benefit, which helps develop and expand other economic sectors such as agriculture, fisheries, construction, and certain types of manufacturing and handicrafts (Inskeep 1991, 370). In Mediterranean destinations such as Spain and Greece, tourism expenditures accounted for 4.5 percent of GDP in Spain and 4.1 percent in Greece in 1994 (Williams and Shaw 1998, 35).

Large numbers of tourists, especially in small Mediterranean islands, put a strain on the existing infrastructure. Insufficient sewage treatment facilities have led to seawater contamination, which has polluted the ground water supply. A large influx of people also puts a significant strain on water resources, a valuable commodity in these semi-arid environments (Ioannides 2001).

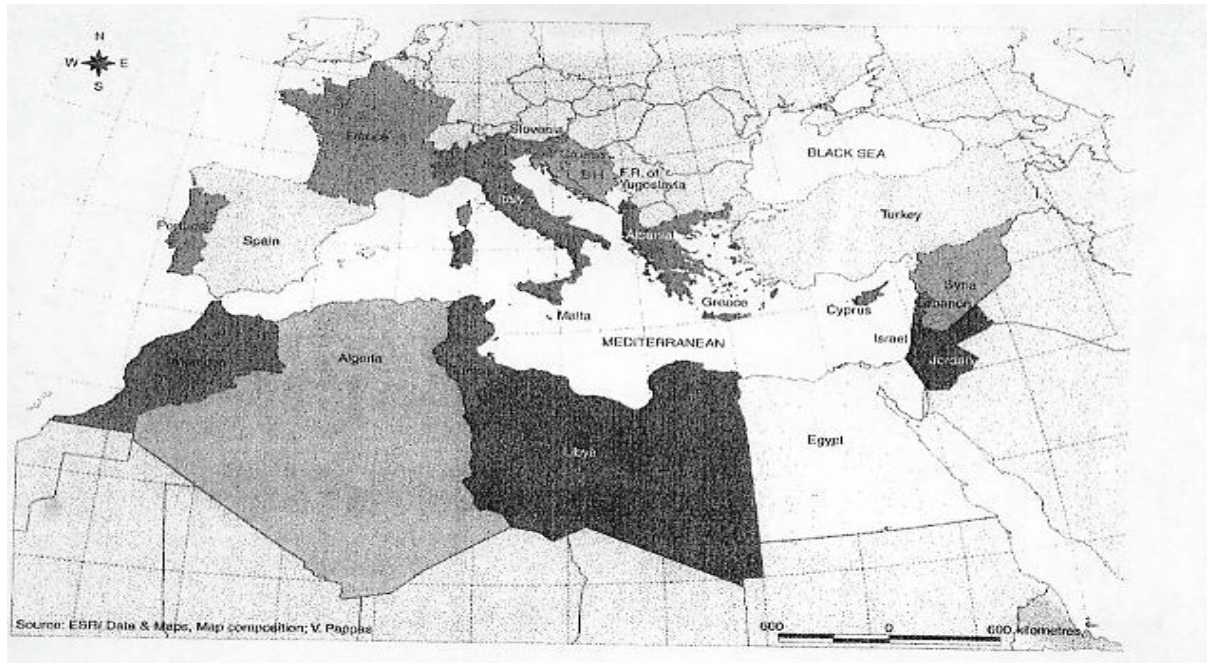


Figure 2.1: The Mediterranean  
Source: Mediterranean Tourism

### 2.3.2 *Tourism in Greece*

This section addresses tourism in Greece, as well as the impact it has on the country in order to use the data to assess the tourism impact on Santorini and its nation Greece. Greece is one of the richest places in the world with regard to history, culture, and artistic treasures. Traditionally, Greece has attracted many tourists as a result of this rich history and culture. However, in the last a few decades, Greece has become a tourist destination for another reason--the natural beauty of the sunny beaches which comprise 9,000 miles of coastline, and more than 2,000 picturesque islands (Seaton 1994, 818) See Figure 2.2. The Greek Islands have drawn

tourists since the early nineteenth century when they became destinations for the aforementioned aristocratic Grand Tour. The growth of international coastal tourism in Greece between 1970 and 1990 mostly took place because of its competitive prices as compared to those of northwestern Mediterranean countries (Fernando and Rebollo 2001, 50). In 1998, Greece ranked seventh in the world, and the second most highly rated destination in the Mediterranean after Italy. Additionally, the Greek islands together with Cyprus were classified as the favorite Mediterranean vacation spot, and they ranked eleventh in the world, after destinations such as Bali, Hawaii, Barbados and Fiji (Apostolopoulos et al 2001, 77-78).



Figure 2.2: Greece

Source: <http://images.google.com>. Accessed 30 May 2005.

In Greece, half of the tourist accommodations are on islands, with the Cyclades and the Dodecanese alone accounting for more than 25 percent of the country's tourist arrivals (Fernando and Rebollo 2001, 51). Like many Mediterranean countries, Greece has capitalized on its natural resources for the sake of economic progress, and the country has been invaded by mass tourism that has led to a number of environmental, social, and cultural problems. The traditional landscapes of the Greek islands have been drastically transformed to accommodate the modern tourists. Despite efforts by the Greek authorities to change Greece's image from that of a land of sun, sea and sand, seaside resorts such as Mykonos, Ios, and Santorini remain a lure for thousands of beach-seekers (Seaton 1994, 818).

According to the World Travel and Tourism Council, tourism is expected to generate 38.9 billion dollars of economic activity in 2005 and provides 18.2% of Greek employment (World Travel and Tourism website 2005). These numbers demonstrate the contribution of Greek tourism to the national economy as well as the demand for tourism in Greece. Data taken about Greece from Dimitrios Buhalis' article; *Tourism in Greece: Analysis and Challenge*, explain the magnitude of tourism in the country. Buhalis explains that in order for Greece to supply the demand for mass tourism that started flocking to Greece in the 1950s, the country rallied to build accommodations of different types and sizes (Buhalis 2001, 449). In January 2000 there were 8,100 official accommodations with a total capacity of 60,000 beds that are provided by 28,000 secondary accommodation establishments such as rooms to let and self-catering apartments (Buhalis 2001, 449). In addition, there are 11,000 beds on cruise liners and 12,000 on yachts, as well as 329 camping sites with 30,354 pitches, and 83,000 camping spaces accommodating all types of demand (Buhalis 2001, 449). Furthermore, some 7,000 travel

agencies, 1,500 coach rental companies and 4,000 car rental firms operate throughout the country (Buhalis 2001, 449).

However, despite having so many numerous small-scale tourism establishments and accommodations, the Greek tourism infrastructure is incapable of supporting the gigantic tourism development growth of the last few decades. Therefore, telecommunications, transportation, police and health services, water supply, and sewage systems are under extreme pressure in the summer peak season of tourism (Buhalis 2001, 449). However, there have been initiatives on major projects such as the Metro, and the new airport of Athens, a wide network of motorways and the gradual development of the rail system to alleviate these infrastructure problems. In addition, as a consequence of hosting the Summer Olympic Games in 2004, Greece updated most of its infrastructure.

Unfortunately, economic gain and infrastructure improvement do not take care of all the problems of tourism in Greece. Certain potential negative impacts have been identified by Buhalis. The author researched the negative impacts of tourism on the macro-economic, socio-cultural and environmental levels. On the macro economic level, destination regions in Greece seem to follow a policy of developing tourism at the expense of industrial and agricultural growth (Buhalis 2001, 463). Tourism hastens the decline of agriculture instead of promoting it as the two economic activities compete for land and labor (Buhalis 2001, 463). There is lack of structural investments in the industrial and agricultural sectors, which endangers the balance of regional economies (Buhalis 2001, 463). In addition, people are abandoning agriculture work for a profession in tourism because it is much easier and its economic benefits are instantaneous. The problem also is that only 40-50% of tourism spending stays in the country because Greek

tourist enterprises depend on tour operators, and capital investment from outside the country (Buhalis 2001, 463).

Greek tourism policy encourages and subsidizes tourism development without strict rules for planning them. The lack of effective planning and management brings a number of negative socio-cultural impacts. The behavior of tourists is often offensive to the host population but tolerated for the sake of economic gain (Buhalis 2001, 463). According to Buhalis, most Greek tourism destinations are almost crime free zones during the winter due to the small population and personal relationships of the locals.

The commercialization of history, cultural traditions and Greek lifestyle for the sake of attracting tourism is another denigrating aspect of tourism. This affects the renowned Greek hospitality, commercializes human relations with tourists and reduces the ties of solidarity between locals, because they compete for the tourism market (Buhalis 2001, 463).

Greek tourism destinations' environmental resources are exploited due to lack of planning and lack of investment in maintaining them. Coastal pollution, water shortages, sewage treatment, waste disposal, traffic congestion, noise pollution, overbuilding, and aesthetic degradation are some of the impacts experienced in many destinations in Greece (Buhalis 2001, 464). Buhalis explains that most of the islands face water shortage due to the limited natural supplies and therefore cannot fulfill the demand of tourists. Imported mineral water from the mainland is expensive due to transportation cost; it also creates more waste and environmental damage (U.C. Santorini Report 2004).

The Greek National Tourism Organization and the Ministry of Tourism supervise tourism policy and are responsible for planning, implementation and promotion of Greek tourism on the national and regional level, as well as coordinating the involvement of the public and private



sectors in all tourism activities (Buhalis 2001, 451). However, tourism, according to Buhalis, has been used as a political vehicle, where each government uses it to satisfy its political ends and friends. Political allies of each government use political pressure and intensive lobbying in order to achieve amendments in regulations, policies and business environment (Buhalis 2001, 458). Therefore, the Greek tourism policy lacks reason and rationality to serve the common good, because it often focuses on short-term profitability and commercial interest of the government's friends and political allies. Consequently, tourism development is always built to benefit special interest disregarding the interest of the country and creating all kinds of negative impacts on Greek tourism destinations.

### 2.3.3 *Tourism in Santorini*

Santorini is an island in the Cyclades located in the Aegean Ocean southeast of the Greek mainland, and approximately 140 miles from Athens. This Mediterranean island is well known for its beautiful volcanic nature and landscape See Figure 2.3. Tourism in Santorini began in the 1970s, and it grew to a significant presence in the 1980s. By the 1990s, tourism was taking over every aspect of the island transforming the small quiet fishing and farming villages of Santorini into seaside resorts.

To meet the needs of the new tourism demand, locals raced to build hotels, rental rooms, and taverns. Encouraged by tourism as an economic tool, the Greek government, like many governments in the Mediterranean area, encouraged the construction of accommodations without regulations subsidizing directly or indirectly the construction of the tourism developments (Apostolopoulos et al. 2001,72). Consequently, tourism development was uncontrolled and unplanned at a great cost to the natural physical and socio-cultural environments. Many

uncontrolled and unplanned developments spread over the island to accommodate the growing number of tourists. Currently, the island may be facing the same fate of many of the Mediterranean islands that are being overrun by tourists beyond their actual capacity. These tourist developments are altering the landscape and Santorini's cultural resources.



Figure 2.3. Santorini Island  
Source: <http://images.google.com>. Accessed 30 May 2005.

While there is an ample amount of research that exists on planning tourism development for many islands around the world, there is a lack of comprehensive study and planning for tourism development in Santorini. The study of the island conducted by the Sustainable Development Team of the University of Cincinnati in the summer 2004, corroborates this finding. The team has learned that Santorini has lost its diverse economy and that tourism is currently the single economic generator of the island (U.C. Santorini Sustainable Regional

Development Phase A: Analysis 2004). An economy built on a single sector is not a healthy one, and it is subject to instability (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). The island has been encouraging increased tourism without appropriate planning and effective land use controls. By not planning and enforcing land use codes, the developments are growing along the coast causing the alteration of the environment and lowering the quality and appeals of the beaches (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). They also spread outside the island's settlements creating sprawl and skeleton-like buildings everywhere around the island (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). The locals are also selling their agricultural land to build tourist accommodations. This contributes to the sprawl and to the loss of the production of agriculture—a sector that used to be a precious resource of the economy (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). The team also observed that streets were very crowded and that there was hardly any public space for people to walk (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). Inevitably, pedestrians have to make their way between the traffic in the middle of the roads. In addition, the existing sewage network does not reach all settlements or scattered developments and the lack of standardized pipes and connections makes repair and maintenance difficult (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). Also, all current sources of water on the island do not meet the current E.U. water quality standards while 40% of the buildings on the island do not receive public water service and are forced to buy water at higher prices (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). These aforementioned issues highlight that the island is being exploited to a dangerous state, and thus requires immediate attention before the damage becomes permanent.

In summary, tourism is an increasingly growing phenomenon around the world and its impacts on the host place can be both positive and negative. The following chapter will explore the positive impacts of tourism and identify the major factors that encourage tourist destinations to pursue tourism and tourism development.

## Chapter 3: The Positive Impacts of Tourism

While the last section of Chapter Two highlighted some specific negative aspects of tourism on the island of Santorini, this chapter begins to develop a general framework of the positive economic, socio-cultural, and environmental impacts of tourism. That will be helpful in the general analysis of tourism impacts. Chapter Four will expand this framework to cover the negative aspects and Chapter Five will assess tourism impacts on Santorini Island in light of the identified factors.

### 3.1 Economic Impact

Tourism is an engine for generating a range of new private and public income opportunities. Six areas of positive economic impacts brought on by tourism were identified in the literature. A full listing of the impacts can be ascertained in Box 3.1.

#### **Box 3.1: Positive Economic Impacts**

1. Tourism receipts/expenditures contribute to the income (GDP) of the host country
2. Tourism demand induces new local economic investment opportunities
3. Tourism creates new employment opportunities
4. Tourism generates construction activities that improve the community
5. Tourism imports foreign currency
6. Tourism increases tax revenues

#### *3.1.1 Tourism receipts/expenditures contribute to the income (GDP) of the host country*

Gross Domestic Product is the value of the total amount of final goods and services produced by the economy during a specific period of time, measured either by the expenditure on the final goods and services or by the income generated by the output (Mak 2004, 113-115).

Gross Domestic Product can also be measured from the buyers' or the demand side; everything that is produced must be purchased. The total value or GDP of final goods and services

produced in the economy must be equal to the total purchases (expenditures) by domestic households, businesses, governments, and nonresident buyers of final goods and services, minus imports (Mak 2004, 115). Hence, the equation for GDP is as follows:

$$\text{GDP} = \text{Domestic Household Spending} + \text{Investment Spending} + \text{Governments Spending on Goods and Services} + \text{Exports} - \text{Imports}$$

The contribution of tourism receipts to Gross Domestic Product (GDP), is undeniable despite the difficulty in measuring it because succinct information about domestic tourism receipts is not known in some countries (Williams and Shaw 1998, 34). Tourism spending on accommodations and purchases of food and souvenirs is a major contribution to the revenue of a host place. Tourism is also a good source for exports.

Domestic tourism expenditure was five to ten times greater than international tourism expenditures in the 1980s in many countries (Williams and Shaw 1998, 35). The travel and tourism industry is also estimated to contribute around \$ 1,200 billion--or 3.6 percent of the world Gross Domestic Product (Mak 2004, 122). In the U.S., the tourism industry totaled 2.2 percent of U.S. GDP, while the contribution of the U.S. agriculture, forestry, and fishing industries accounted for only 1.6 percent of GDP (Mak 2004, 118). Many countries, including the United States, have created Travel and Tourism Satellite Accounts (TTSA's for short), an economic statistical method to measure more accurately the economic impact of the travel and tourism industry on the host place. It also helps separate the shares of travel and tourism goods and services sold to travelers from those sold to local residents (Mak 2004, 114).

In economic terms, exports are goods sold and sent abroad, imports are purchases brought to the country. In tourism exports and imports take different meanings (Mak 2004, 116). Mak explains that exports are purchases of goods and services by foreign tourists visiting a place

(spending foreign currency), whereas imports are purchases of goods and services by the residents of that place traveling abroad (spending local currency abroad) (Mak 2004, 116). The volume and scale of tourist expenditure on hotels, restaurants, transportation and entertainments contribute directly and positively to the economy of the host place, and it is the most obvious impact on the GDP.

### *3.1.2 Tourism demand induces new local economic investment opportunities*

In trying to meet tourism demands for goods and services, local economies benefit by providing income as well as employment to both private and public entities in the host place. In some places, tourism demand has caused the creation of a new entrepreneurial class that strengthens middle-class income (de Kadt 1976, 12). Consequently, locals are prompted to start businesses that could not have been possible without the demand of tourism.

Through increased demand for good products, souvenirs and other goods, tourism generates employment in agriculture, food processing, handicrafts, and light manufacturing benefiting the whole community (de Kadt 1976, 11). Tourism demand for recreational facilities is another source of employment and income to the locals. Such is the case in Auckland, New Zealand, where a casino constructed in 1990 acts as the city's main economic generator to the locals (Page 2003, 313). Tourism sparks the local economy promoting entrepreneurial growth by encouraging local products. Greek islands market specialty wines and liquors, honey, and other unique food products. Businesses run by locals pour direct benefits into the local economy and the community.

### *3.1.3 Tourism creates new employment opportunities*

The most immediate and direct benefit of tourism is the creation of jobs and the opportunity for people to increase their income and standard of living. According to the World Travel and Tourism Council in 2001, employment in the travel and tourism economy was about 207,000,000 jobs, or 8.2 percent of total employment, which is 1 in every 12 jobs worldwide (World Travel and Tourism Council 2001). These employment opportunities are measured by the percentage of the locals working for the tourism industry in comparison to imported labor.

Employment generated directly in hotels and restaurants showed higher earnings than those available in the agricultural sector (de Kadt 1976, 11). Building is another opportunity to provide jobs for the local population, not only during the erection phase, but also after construction in such work as cleaning, maintenance and service (Gerlach 1991). Tourism also enriches the community by creating possibilities for developing new technical and managerial skills for residents who transfer from other sectors, and it can open up opportunities for women, training them to take on new roles in the tourism industry. However, much depends on the host country and its cultural development policies (Inskeep 1991, 370).

The demand nature of tourism create the need for a wide range of services, and this in turn creates ample opportunities for employment in airports, ports, ground transportation, restaurants, hotels and entertainment, to mention but a few.

#### *3.1.4 Tourism generates construction activities that improve the community*

Tourism demand creates the need for building and construction of hotels, restaurants and many other entertainment and service facilities. Constructing new buildings and resorts often requires updating and improving infrastructure such as roads and the sewage and water supply



systems and facilities. These expanded services provide more jobs to the community and also serve the needs of the national, regional, and local communities.

People travel for many reasons and with a wide range of intentions. Some travelers focus on the historical and cultural heritage of a region, some travel for health reason, others for sport, education, and gambling. This demand for tourism creates different kinds of developments, such as sport utilities, health spas, diet and treatment centers, education centers, museums and casinos. Although tourism might be the reason for the construction of these facilities, they could also benefit the locals as well, first by them using the facilities for their leisure, and second, by them updating the capacity of the infrastructure, which is often required when building new developments.

### *3.1.5 Tourism imports foreign currency*

Foreign currency is the amount of money earned by a host place from visitors exchanging their currency for the local one. Traveling tourists need to exchange their country's currency to the currency of the tourist's place. For example, American visitors to Europe must pay with euros for all the accommodations and entertainment; consequently, they need to exchange the dollar to the euro at the market exchange rate in Europe. Therefore each transaction generates foreign currency to the host place that can be later used in importing goods from abroad. This concept is the tourism counterpart to the income generated from Foreign Direct Investment (FDI), or the income generated in exchange when a foreign investor invests in a foreign country and must do business in the currency of the foreign country.

However, currency exchange is subject to the fluctuations of the world currency market. For instance, if the value of the American dollar appreciates against the value of the local

currency, then Americans will be encouraged to purchase more of these foreign goods as they get more goods for their dollars than they would in America—more bang for their buck (Mak 2004, 28). People of a country with a high value currency may be encouraged to partake in international travel to a country with a comparatively lower valued currency to make the best out of the exchange rate. Such is the case now with the European and the Japanese who are traveling to the United States and finding comparatively reasonable prices due to the relatively high value of their currencies. Today the opposite trend is occurring in regards to American currency against the euro. Americans traveling to Europe find prices on goods and services to be quite high because of the low value of American dollars as compared to euros. Hence high currency exchange rates for foreigners and low local currency rates attract tourism and tourism investment, whereas high local currency values discourage tourism.

### *3.1.6 Tourism increases tax revenues*

Taxes charged on tourists and tourism businesses have flourished around the world since 1980 (Mak 2004 143). Taxes are collected on local residents' income whose tourism businesses serve tourists, and from the tourists who spend on goods and services such as air travel, hotel, car rentals, amusement and entertainment attractions and meals and alcoholic beverages at bars and restaurants (Mak 2004, 143).

Mak cites a list of other kinds of taxes imposed on tourists by many governments in tourist places (Mak 2004, 143). Some of these taxes include eco taxes, coach taxes, and green taxes. In 2002, Venice began imposing a “coach tax” up to 250 euro per coach when they enter the city (Mak 2004, 143). Also in 2002, tourists to the Balearic Islands of Majorca, Ibiza, Menorca, and Formentera started paying an “eco-tax” of 1 euro per person per night, and 2

euros for guests of five star hotels (Page 144). According to Mak, the European Commission is recommending a European wide environmental tax or “green” tax on all air tickets in order to encourage airlines to reduce greenhouse gas emissions (Mak 2004, 144). Clearly taxes imposed upon tourists can be quite innovative and used to solve a variety of problems.

The generation of this tourism tax revenue ensures that both the national and local governments carry out their responsibilities in offering emergency services and police and fire protection to both the residents and non-residents (tourists). Tourism tax revenues also ensure the improvement of the local physical environment and infrastructure such as transportation, roads, ports and airports, to mention only a few. Hence taxes on tourists not only can be used to address problems such as the environment, but they are extremely important to providing necessary infrastructure and services to both residents and tourists alike.

### **3.2 Socio-Cultural Impact**

People often travel to experience the cultural heritage of other places and cultures different from their own. Travelers are curious about visiting places rich in history and they explore monuments, palaces and archeological sites. Heritage has been regarded as an accumulated experience and an educational encounter and contact with previous generations; it is the objectivation of the spirit of the society (Orbasli 2000, 12). In regards to socio-cultural impact, two factors were identified in Box 3.2.

#### **Box 3.2: Positive Socio-Cultural Impacts**

1. Tourism inspires the preservation of historic sites
2. Tourism strengthens local awareness of cultural heritage as well as the cross-cultural relationships between tourists and locals

#### *3.2.1 Tourism inspires the preservation of historic sites*

The tourist interest centered on historic sites inspires the preservation of these sites and their surrounding areas. This historic interest based tourism can also be a tool to widen cultural understanding by including among the major historic sites monuments that have historic or national significance, as well as the less valued monuments and overlooked traditional urban environments (Orbasli 2000, 41). Countries rich in history capitalize on these historical and cultural sites in order to attract tourists. Thus, history has become a product that is marketed, re-created, and sold for tourism purposes. Historic settlements and towns are seen as assets that can be transformed and sold to tourists as products (Orbasli 2000, 2). Tourists who are interested in experiencing history in its authentic surroundings will buy into this market, thereby promoting the conservation of historic buildings or monuments that have suffered blight or ruin in the host country.

In general, tourism generates significant awareness of the conservation of little noticed historic buildings. The appreciation of the historic environment by tourists has created both a reason for conservation and increased community interest in the environment. An example is the case of the nineteenth-century town of Tunis: the old town and many of the old historic buildings have been in decline (Orbasli 200, 42). The restoration and adaptive reuse of these historic buildings brings new activity and life that fosters further improvements. The reuse of existing resources reduces new construction and related environmental pressures (Orbasli 2000, 43). A conservation plan has involved recording and renovating old buildings and a proposal to build new ones on a vacant lot. Many of the municipal buildings were renovated for adaptive re-use low income housing in order to contain tourism overcrowding (Orbasli 2000, 42). In the case of available empty lots, the promotion of architectural and historic values encouraged the erection of new planned projects that are designed to meet certain historic guidelines. This in turn protects

against overall commercialization, and creates a socially responsible and ecologically sound environment.

Historic preservation is also an excellent economic tool for the community. Preservation and rehabilitation of old historic buildings can be a catalyst to create continuous employment for locals. Preservation and restoration require a large number of workers in the traditional building crafts, preventing unique traditional skills from disappearing. These traditional craft persons are usually old and retired, but who had an apprenticeship in their craft as youth. In order to keep an apprenticeship program from disappearing, specific plans must be in place to recruit and train new young craftsmen. In Europe, many of these programs exist because of the tourist demand for handmade craft products; there is a massive program of apprenticeship restoration in France and Italy (Fitch 2001, 357). Fitch points out that the Czechs have established nationwide network of government funded ateliers in all the major pre-industrial handicrafts such as stone, and wood carving, ornamental plaster, iron forging, bronze casting, stained glass, poly-chromy, decorative painting and tapestry weaving (page 358). This is not only a strong economic base but also a cultural base that keeps the education for the making of traditional artifacts alive.

Although tourism activity does not pay for the conservation, it often opens up previously unavailable investment finances (Orbasli 2000, 42); such is the case in the Albaicin in Spain. The Albaicin is in urgent need for maintenance and rehabilitation in order to survive. The authorities are facing the danger of loosing such a great historic town because of lack of funds (Orbasli 2000, 36). Only through the funds generated by tourism will this Spanish town be preserved. Hence cultural tourism provides the economic incentive to preserve historic places and traditional forms of employment.

### *3.2.3 Tourism strengthens local awareness of cultural heritage as well as cross-cultural relationships between tourists and locals*

A European Community study in 1999 found out that 20 percent of tourist visits to Europe were for cultural purposes (World Tourism Organization Conference on Cultural Tourism 2000, <http://www.world-tourism.org/sustainable/doc/s-reap2000.pdf>). Cultural tourism is the kind of traveling that happens for the purpose of learning about another culture activity such as folklore dance, distinguished theatre or opera, movie festivals and architecture, the fine arts and culinary art (World Tourism Organization Conference on Cultural Tourism 2000, <http://www.world-tourism.org/sustainable/doc/s-reap2000.pdf>). Cultural tourism is a growing industry not only in Europe, but also throughout the world, according to the World Tourism Organization, and it comprises one fifth of the tourism market (World Tourism Organization Conference on Cultural Tourism 2000, <http://www.world-tourism.org/sustainable/doc/s-reap2004.pdf>). One of the pillars of the tourism industry has been mankind's inherent desire to see and learn about the cultural identity of different parts of the world (World Tourism Organization Conference on Cultural Tourism 2000, website). In domestic tourism, cultural heritage stimulates national pride in one's history. In international tourism, cultural heritage stimulates a respect and understanding of other cultures and consequently promotes peace and understanding (World Tourism Organization Conference on Cultural Tourism 2000, <http://www.world-tourism.org/sustainable/doc/s-reap2000.pdf>).

People who live in historic towns are often oblivious to the value of their cultural heritage because they tend to take it for granted. Tourism, thus, becomes a mediation tool between the locals and their historical heritage. It is often the case that through tourists' interests, many old traditions and customs are brought to life that may have been forgotten by the

young. Tourists who are interested in traveling for cultural purposes attend music, movie, and opera festivals, dance rituals, or visit monuments and historic sites. These cultural visits generate awareness of the locals to their own cultural heritage. Consequently, tourism creates the need for the development of educational programs and new methods to conserve historic towns and protect the heritage of artifacts in museums, and stimulates the organization of many of the cultural tourism activities, as well as helping in interpreting local history for tourists. Educated people will be aware of the importance of their heritage and will safeguard the real image of the city and the genuine spirit of the historic towns, their culture and their community life.

Additionally, museum interpretations of town histories are often created along with an information center. They provide an introduction to the history of the locality through multi-media presentation as such is the case at Dublinia in Dublin, Ireland (Orbasli 2000, 80). Orbasli explains that interpretation centers can play an important role by acting as a signpost for the activity within the city and as a background of the history of a place.

Thus, cultural tourism is not a one-way street in which only the tourists reap the benefits. Due to tourism's impetus, locals become interested in their own culture and history, and seek to revive and preserve their old traditions.

Tourism can also strengthen cross-cultural relationships through visitors' appreciation of the local culture and heritage. These bonds foster positive attitudes between the peoples of both cultures that in turn translate into greater cross-cultural cooperation. Travel has a significant influence on national understanding and appreciation of other people, and this is mostly demonstrated when visitors from developed countries travel to a less developed one that has a low standard of living (Goeldner and Ritchie 2003, 301). This kind of primitive life, less stressful

and less materialistic, brings an increased appreciation for qualities of life the travelers lack at home.

In many places of the world that are not inundated with mass tourism, host places treat travelers as guests, and this helps establish a mutually equal relationship of understanding and appreciation. It brings two peoples with two different cultures in contact with each other and inevitably opens a dialogue between them. This open dialogue leads to less prejudice and a more harmonized world.

Tourism “opens up the eyes of the indigenous population who tend to be quite regressive in their attitude” (Brunt and Courtney, 1999). Brunt and Courtney point out that the acculturation process of the two cultures is likely to occur with each taking on aspects of each other. Visitors learn about the place and the culture before they come, and often they continue their interest after they return home. Locals often adopt foreign languages because they are interested in the visitors. Interaction between tourists and visitors inevitably happens, and it can have lasting positive impacts on both parties.

### **3.3 Environmental Impact**

There would not be tourism in most host places without the existence of high quality natural and built environments. Most places capitalize on the beauty of their environment to attract tourists, and they invest special efforts and funds in beautifying and maintaining it. Tourism, therefore, is a factor in maintaining a high quality environment for both the health and the protection of the resources (i.e., natural and built environment) that generate the tourists’ activity. Travelers on their vacations can obtain an excellent appreciation for nature while



interacting and learning about the environment. Many of them often end up adopting environmentally friendly practices because of this appreciation.

Tourism often contributes to the improvement of the environment on four levels. First, tourism is the reason for improvement of the maintenance and preservation of natural scenery and wildlife. Second, it motivates constant cleaning of the beaches and natural places that attract tourists. Third, it supports and encourages the constant maintenance and upgrading the environment and environmental services. Fourth, tourism can be responsible for raising people's awareness to the conservation of the environment through means such as the media or through advocates and non-governmental organizations, or by putting pressure on legislators (Mieczkowski 1995, 11). These four areas are listed in Box 3.3 and will now be discussed in detail below.

**Box 3.3: Positive Environmental Impacts**

1. Tourism encourages the restoration and maintenance of important natural areas, ancient monuments and archeological treasures
2. Tourism improves the quality of the environment
3. Tourism promotes the improvement of the physical infrastructure
4. Tourism is an essential factor in educating people

*3.3.1 Tourism encourages the restoration and maintenance of important natural areas, ancient monuments and archeological treasures*

Tourism provides a reason to preserve the natural scenery and man-made historic sites, traditional towns and neighborhoods, villages, lighthouses, harbors and fishing piers (Cohen 1978). Cohen points out that the phenomenon of the restoration movement is taking place around the world to preserve the natural, historic and archeological sites as major tourist attractions. Tourism provides the incentive as well as the economic means to preserve and maintain the natural and man-made historic sites where no other industry is prepared to pay for

the conservation. Tourism does not only help in financing the preservation, but it supports it in many other ways. For example, major restoration has been done in Fuenterrabia, a Basque town in Spain. Fuenterrabia has been restored since it was claimed as a national artistic and historic monument. Preservation also can emphasize the protection of the natural scenery and wildlife for the sake of tourist attractions—as in East Africa (Cohen, 1978). A recent study revealed that when tourists were asked to make voluntary donations to support the Hunuma Bay Nature Preserve in Honolulu in 1996, the majority did contribute (Mak 2004, 164).

### *3.3.2 Tourism improves the quality of the environment*

Tourism can be an incentive to clean up the environment through the control of air, water, noise pollution, littering and other environmental problems such as maintaining aesthetics through landscaping programs, appropriate building design, sign controls, and better building maintenance (Inskeep 1991, 343). Often, it is that the presence of tourism in an area that causes the authorities to take on clean up actions. The concern over the pollution of the Mediterranean beaches, for example, has contributed to the antipollution measures initiated by the Mediterranean Action Plan (Mieczkowski 1995, 116).

### *3.3.3 Tourism promotes the improvement of the physical infrastructure*

Airports, ports, roads, water, sewage, and solid waste disposal systems and telecommunications can all be improved through tourism development and for the sake of attracting tourists (Inskeep 1991, 343). The demands of tourism and the concern of losing tourists to more competitive places and prices have been a great incentive for many tourist destinations to improve and maintain the environmental quality of their countries.

#### *3.3.4 Tourism is an essential factor in educating people*

Travelers' interaction with the environment can be the best way to nurture their respect and understanding of nature and the human role in preserving it. Their attitudes and their actions can become environmentally friendly and this is one of the greatest advantages to the conservation of the ecosystem (Mieczkowski 1995, 148). An organized educational tour to natural sites or explanatory signs can raise people's awareness of the responsible behavior that could protect the natural sites from being abused or trashed by tourists. People often do things without being aware of how harmful their tourist behavior can be to the environment, and education can help them learn what needs to be done to protect the very same environment they would like to see unharmed on their next visit.

However, it is clear that not all impacts of tourism are positive. The next chapter, then, considers its negative effects.

## Chapter 4: The Negative Impacts of Tourism

This chapter develops the tourism framework for the negative impacts of tourism. Like the last chapter, the framework will be split into three sections: economic impact, socio-cultural impact, and environmental impact.

### 4.1 Economic Impact

Tourism was encouraged first and foremost because of its economic impacts and the role it plays in generating economic growth in the host country. While the direct positive economic impacts of tourism are undeniable, it also carries with it negative impacts. These negative impacts are most prevalent if tourism is not planned and monitored. This study has identified eight negative impacts --See Box 4.1.

#### **Box 4.1: Negative Economic Impacts**

1. Tourism expenditures are fleeting and capricious
2. Tourism causes loss of economic benefits and creates economic injustice in the community
3. Tourism causes an uneven distribution of economic benefits
4. Tourism causes price inflation
5. Tourism increases the value of real estate
6. Tourism employment does not benefit the local population
7. Tourism is problematically seasonal
8. Tourism decreases the value of foreign reserves

#### *4.1.1 Tourism expenditures are fleeting and capricious*

Tourism expenditures dramatically decrease when the travelers' home currency depreciates against the currency of the host place. This is because travelers look for places where they can use their scarce resource of money and get the biggest bang for the buck (Mak 2004, 5). In essence, the standard tourist represents the rational being; the rational tourist will make a rational decision on where to take a vacation based on how much the vacation will cost him or her. Thus, just small increases in local currency value are many times disastrous for

tourism as tourists are hardly loyal to one place, and instead will find the most cost effective place to take their vacation.

There is a danger of over-dependence on tourism as a strategy for economic development in many tourist destinations. The problem with tourism that it is often a fickle source of economic growth because it greatly fluctuates from year to year. This fluctuation occurs because the demand of tourism oscillates according to external changes such as recession in the world economy, political changes or competitiveness of individual countries (Williams and Shaw 1998, 40). Thus, if tourism is the only economic sector of an economy, external problems outside of the power of the host country can cause a serious recession. Each tourism destination has no other economic sector to pick up the slack if these external pressures cause such a tourist recession. Hence, the economic growth of the tourist destination will grind to a standstill; many businesses may close during this recession year, and many residents may move on to greener pastures. It is never a good idea for a community or country to place all its eggs in the tourism basket.

Another negative economic problem with tourism is the loss of the traditional agricultural sector. Tourism provides many jobs that can entice labor away from agriculture. The young in these tourism-based areas find the tourism sector to be far more alluring and profitable than entering into the traditional agricultural fields of their father or grandfather. Farming is hard work, while tourism jobs are generally low impact, pay better than farming, and require few skills. For example, the invasion of tourism development on the coast of Mallorca, Spain in 1960s was accompanied by the abandonment of agricultural land in the island's center (Selwyn 2000). Thus the space on the coast, which was once marginal to the island, became the ultimate economic resource; on the other hand, the center that once was the resource became marginal to

the island (Selwyn 2000). This loss of agricultural land also can result in the loss of the aesthetic beauty found in fields under cultivation, and this loss can adversely affect tourism. Can one imagine Tuscany without the sunflower fields, the Rhine valley without its vineyards? Such places are no longer attractive tourism destinations without their traditional agricultural land uses.

#### *4.1.2 Tourism causes loss of economic benefits and creates economic injustice in the community*

Throughout the world, many tourist facilities are owned and managed by people outside the host community. This is because tourism is an expensive and profitable business, sometimes far too expensive for the meager resources of locals in places such as Thailand and Mexico. Hence, outsiders with the necessary capital build and buy the hotels, restaurants, theme parks, clubs, and bars. The inherent problem with such a setup is that these outsiders do not invest their money within the community other than hiring locals for low wage positions. Thus the money being earned by these businesses is being exported to other cities or areas domestically or even internationally (Page 2003, 17). In recent years the trend of consolidation has created huge mega development or tourism related companies that have the power and resources to build massive hotel and resort complexes. These complexes not only export their earnings back to the shareholders and the companies' home cities, but they drive smaller local tourism establishments out of business as well (Page 2003, 18).

The economic injustice occurs on the national level and on the local one. Some areas can attract all the tourism developments and employment and some stay isolated from it. The areas that attract tourists can get funds and subsidies to help business in tourism, while the others remain undeveloped. On the regional level, in Greece for example, 90 percent of tourism, 80

percent of the industrial sector, 35 percent of fishing and agriculture, as well as infrastructure such as roads, airport, train lines are located along coastal areas, and fourteen of the fifty Greek administrative prefectures, contain 73 percent of the hotel beds (Apostolopoulos et al. 2001, 8). A further example is Spain where 76 percent of the tourist infrastructure is concentrated in five coastal regions out of a total of eighteen (Apostolopoulos et al. 2001, 8).

On the local level, tourism can develop in the core urban area, while the periphery may not only remain undeveloped, but is often neglected. Governmental resources and aid go to support the core to build tourism at the expense of the periphery, thereby creating economic injustice. This economic injustice can create resentment and conflict within the community.

#### *4.1.3 Tourism causes an uneven distribution of the economic benefits*

As mentioned in the previous section, foreigners or multinational companies often own the major tourism services and facilities and pay low wages to all but a few members of the staff. Another problem occurs when a family runs most of the tourist services and facilities; this minimizes the community's benefits and alienates them from the tourism sector (Inskeep 1991, 371). Both cases are quite common in the tourism industry. These inequalities promote a very unhealthy economic pyramid in which a select few have money, and the vast majority of the residents make due with low wages.

#### *4.1.4 Tourism causes price inflation*

The specter of inflation and its merciless impacts on poor locals is a serious problem all tourist areas face, especially less developed tourist areas. Inflation is naturally caused by the tourists' capacity to spend more than the locals. Tourists from developed countries earn higher

salaries and have more assets than people in less developed countries (countries that frequently make up tourist destinations). This trend causes an inflationary spiral that raises the prices of the commodities locals require, such as food, transportation (Goeldner and Ritchie 2003, 393).

Tourism is thus a double-edged sword for many places; it provides income, but this income is used to pay the higher prices for all basic goods and services.

#### *4.1.5 Tourism increases the value of real estate*

Due to the demand and profitability of tourism, the real estate prices around the destination, especially for highly frequented or scenic areas, can increase dramatically. Tourism developments compete with other land uses, but as tourism is usually the most profitable land use, many small local businesses and agricultural lands get sold for big tourist developments. This can cause the loss of important economic sectors like agriculture. The rise in real estate prices also makes owning or living in a tourist area prohibitively expensive to locals, driving them from the area (Page 2003, 315).

#### *4.1.6 Tourism employment does not benefit the local population*

Expanding employment opportunities do not necessarily benefit the local community, especially high-level jobs that frequently go to foreigners or close friends (de Kadt 1976, 12). Hence, the vast majority of the tourist jobs are low skill and low wage labor, with little opportunity for advancement. Many of these low wage jobs are thus only attractive to the young, elderly residents, or imported migrant labor willing to work for less than the locals. Tourism employment is therefore a dead end attractive to only a few segments of the populace.



#### *4.1.7 Tourism is problematically seasonal*

Seasonality has been recognized as a distinguishing feature in the tourism industry due to climatic factors, and this impacts negatively on the employment sector. Some tourist areas are only open for three or four months in the summer and remain closed the rest of the year. This seasonal nature of tourism presents problems for employers, making it difficult to recruit and retain employees (Seaton 1994, 335). Seasonality also leads to limited returns on investment in the consumption and production of tourism infrastructure as many of the businesses come to a halt or close completely in the off season (Page 2003, 314). Such is the case for many of the Mediterranean resorts during the winter and ski resorts during the summer. Consequently, this seasonality has implications on the investment and the employment it creates as well as the revenue from tourist expenditures (Page 2003, 314). The owners of restaurants, hotels, and other tourist based establishments must pay rent, taxes, utilities for the whole year, even if they are closed. Thus, a tourism business operator is totally dependent on having a good season to make a profit. If there is a poor tourism season, the operator may be forced to close, as it will not make any money the rest of the year.

#### *4.1.8 Tourism decreases the value of foreign reserves*

Foreign exchange is used for the importation of goods. The benefit of foreign exchange earnings from tourism is reduced if large amounts of imported goods and services are utilized to supply a demand created by tourism itself. However, there may not be any alternatives to these imports in tourism places, especially in small islands with limited economic resources. Inevitably, tourism will still be welcome, despite the little foreign exchange benefit it generates, because it remains the only worthy investment (Inskeep 1991, 371). In this case, tourism could

be a major economic factor--if not the only one in many cases--in building up a community and reviving its economic activities.

## **4.2 Socio-Cultural Impact**

Tourism has been considered to be an obstructive force for the socio-cultural life of local residents. Interaction between tourists and locals is inevitable, and the outcome of this interaction often depends on their cultural differences and the size of the place. A large metropolis, such as Istanbul or Cairo, can absorb the impact of tourism, but the pressures are much greater on the smaller towns (Orbasli 2000, 57). Orbasli points out that the cultural pressures can be great on a community that leads a more traditional way of life, and in rural settlements because tourism impact is more destructive to those serene little places.

Three negative impacts have been identified below in Box 4.2.

### **Box 4.2: Negative Socio-Cultural Impacts**

1. Tourism causes the degradation of historic places
2. Tourism decreases cultural authenticity, degrades cultural identity and instigates the commercialization of historic towns
3. Tourism creates social conflict

#### *4.2.1 Tourism causes the degradation of historic places*

It may be true that the cultural heritage of tourist destinations has been preserved due to tourism, but these destinations have been equally harmed because of tourism. Overcrowding presents another serious threat to historic buildings, the urban fabric, and environmental quality. An increase in the number of tour buses, cars, and service vehicles leads to traffic jams, and exhaust fumes blacken the surfaces of historic buildings. Tourism has created pollution in London, Venice, and Florence, that has recently reached dangerous levels (Orbasli 2000, 59).

Overcrowding caused by tourism can spoil streetscapes and cause them to lose their charming appearance by exceeding their capacity. These places will no longer be appreciated, and, hence, they will be abandoned as tourist destinations. Mass tourism erodes the outstanding historic sites that were not intended to accommodate such large numbers of visitors. For example, more tourists are now visiting the Acropolis of Athens in a week, than had in a hundred years of antiquity (Orbasli 2000, 58). Yet, conservation in the interest of tourism has the danger of ignoring the depth and dynamics of the urban environment, in favor of the re-creation of sterile and “experience-able” settings (Orbasli 2000, 2).

#### *4.2.2 Tourism decreases cultural authenticity, degrades cultural identity, and instigates the commercialization of historic towns*

In order to create an authentic historic experience for tourists, authentic heritage is reduced to chosen interpretations of history, and the actual physical remains a marketing tool specifically selected and packaged as products to lure tourists (Orbasli 2000, 2). When the goal of conservation becomes the purpose of tourism development, these good intentions become vulnerable to being both superficial and devoid of cultural significance. Blighted historic quarters are hastily restored and become commercialized, and community values are lost; the community has pleasing facades but falls victim to commercial exploitation (Orbasli 2000, 132).

Yet another danger of tourism inspired conservation is when the objective of conservation accommodates tourists’ western life style--such as the need for air conditioning, swimming pools, and nightlife (Orbasli 2000, 52). A picture perfect historic town can be awash with cafés, restaurants, shops, and bars producing cheap products in order to fulfill a sought-after western tourist image in the cultural tourism marketplace. These kinds of developments will

forever alter the nature of historic buildings and towns, and tourism will soon discard these faux places in favor of more authentic and newly discovered historic towns.

The emancipation that tourism has brought to traditional ways of living, has created major social and cultural changes to society--particularly on the Mediterranean islands. Traditional spatial relationships and kinship ties are becoming disassociated and severed (Selwyn 2001, 42). Family ties are broken and give way to individualism, with the younger population moving away to begin new lives in a tourism-dominated economy. In addition, others are abandoning the family business in agriculture to what is thought to be a better opportunity in tourism. The working class communities in the inner areas are moving to become towns of second homeowners (Selwyn 2001, 42). The landscape is losing its pristine beauty to structures that please the tourists, or it is left to decay, as is the case in agricultural areas.

The rich culture of a tourist destination, if an attraction, becomes secondary when it is endowed by a good climate. Tourists are inclined to be attracted to places on the beach; thus, resort areas are always overwhelmed with mass tourism, and historic towns are commercialized to fulfill the need of tourists. An example is Side, a historic town on Turkey's Mediterranean coast that was once a small settlement among the ruins of a significant archeological site. Side has now become a victim of the destructive nature of uncontrolled tourism. Barrack-like hotels and a number of makeshift shacks have appeared on its beaches. The village that once stood picturesquely amongst the ruins is now full of signs advertising pensions and discothèques (Orbasli 2000, 52). The historic nature and culture of the once pristine site, has been ruined by the garishness of cheap, low quality tourism.

#### *4.2.3 Tourism creates social conflict*

Conflict can arise between the hosts and their tourist visitors because of different cultural uses of urban space (Orbasli 2000, 56). Overcrowding not only congests the streets but also puts demands on services that can disrupt local lifestyles. The growth of tourism may bring with it the loss of privacy for the locals. It is not unusual for residents in a popular historic town to experience people peering through their windows (Orbasli 2000, 57). In the market economy, shopping is big part of the travel industry. Local small-scale family businesses are often forced out of the local market to be replaced by an attractive souvenir market (Orbasli 2000, 66). Locals move out of the center to make way for larger markets run by outsiders, leaving the locals resentful and alienated. This activity also leaves the center vulnerable to seasonal markets that operate only a few months of the year.

Conflict also arises from tourism and visitor misbehavior such as “lager-lout” behavior, hooliganism and nudity, which often offend the host population who have no option but to tolerate it (Buhalis 1999, 351). Tourists can be also the victim of tourism based criminal activity, such as robbery and aggravated assault in the places they visit. Research has showed a connection between the number of tourists and criminal activity. Criminal activity is often more likely reported in big cities than in the small destinations (Buhalis 1999, 351). In small communities where people know each other, locals tend to have a personal relationship with tourists creating an implicit safety net.

### **4.3 Environmental Impact**

It would be a mistake to think that tourism is a harmless industry; the reality is that tourism is as harmful as many other heavy industries. Human activities often modify the environment in a negative way; tourism is no different. The negative impact and externalities

produced by tourism on the environment are more than negligible, and have slipped under the radar for years. Traveling individuals often act irresponsibly once they are out for fun, and thus more prone to pollute. This is because tourists do not feel any social responsibility towards the tourist environment; this lack of social responsibility is especially keen in places that cater to young groups and package tourism. This reckless behavior can be very harmful to the environment and tends to be more severe in frail and fragile places such as small islands, oases, coral reefs and similarly less resilient eco-systems (Cohen 1978, 222). The concentration of use of tourism development in those fragile places puts heavy demands on them, often causing irreparable harm from visual and sound pollution, illegal construction practices, and urban land use conflicts. Nine negative impacts have been identified in Box 4.3.

**Box 4.3: Negative Environmental Impacts**

1. Tourism causes water pollution
2. Tourism creates air pollution
3. Tourism causes noise pollution
4. Tourism causes visual pollution
5. Tourism creates a waste disposal problem
6. Tourism causes ecological disruptions
7. Tourism creates environmental hazards
8. Tourism is detrimental to archeological sites
9. Tourism creates land use problems

*4.3.1 Tourism causes water pollution*

Water is an essential component for human life and health. There are two components of tourism impact on this important resource: quantitatively- the supply of fresh water, and qualitatively- the problem of water pollution (Mieczkowski 1995, 200). Mieczkowski points out that tourism is one the greatest consumers of water resources; on a per capita basis, the demands of tourism substantially surpass the domestic and municipal demand (Mieczkowski 1995, 200). Data on tourism water consumption in the Mediterranean reveal higher consumption by

international tourists than domestic residents, reaching 600 liters daily per person for luxury hotels (Mieczkowski 1995, 201). The competition for water between the local population and tourists reaches the most intense levels during the summer dry season, which coincides with the peak tourism season. The second component of tourism impact is water quality. Although water pollution does not occur because of tourism only, this study addresses tourism impact only.

According to Mieczkowski, tourism impacts water in four major ways:

4.3.1.1 The biggest threat is pathogen contamination that occurs by unregulated and uncontrolled tourism and recreation dumping raw or inadequately treated sewage. The reason for water pollution is found in malfunctioning sewage and septic tank systems in hotels, vacation home and campgrounds, with waste that is channeled into rivers, lakes or coastal areas (Mieczkowski 1995, 201). This sewage is often not adequately treated causing the effluent to pollute ground water area (Mieczkowski 1995, 201). This is especially the case on small islands when development has not been planned, and the sewage system has not been update (Inskeep 1991, 344).

4.3.1.2 The second reason for water pollution is the massive use of fertilizers and insecticides that act as toxins (Mieczkowski 1995, 201). Significant tourism contributors include golf courses and lawns of commercial tourist facilities.

4.3.1.3 The third source is tourist transportation: cruise ships, motorboats and other recreational vehicles, polluting water with oil products and human waste and detergents (Mieczkowski 1995, 201). This happens especially in enclosed harbors and places where natural water circulation is slow (Inskeep 1991, 344).

4.3.1.4 The fourth source of decreasing water quality is individual travelers and their reckless behavior of littering and throwing garbage, including bottles and cans, into river bodies

(Mieczkowski 1995, 210). These materials find their way, by gravity, to the bottom of water bodies (Mieczkowski 1995, 210).

#### *4.3.2 Tourism creates air pollution*

Tourism is considered a clean industry, but this is a myth. Air pollution can occur from the excess use of motor vehicles such as buses, coaches, cars and motorcycles (Inskeep 1991, 344). This problem is amplified in places where most travelers arrive to destinations by automobile as a method of transportation. In Spain, France and Italy, 50 percent of international tourists arrive by car (Mieczkowski 1995, 187). Mieczkowski explains that some of the automobile emissions are toxic and contribute to acid rain, to the thinning of the protective ozone layer, and, if the theory is valid, to global warming. Mieczkowski also points out that polluted air affects vegetation and causes respiratory discomfort in people. Research shows that the average emission of pollutants by passengers using private vehicles is ten times higher than that of passenger using public transportation (Mieczkowski 1995, 188).

#### *4.3.3 Tourism causes noise pollution*

This often overlooked nuisance and form of pollution is generated by the concentration of tourists' cars, airplanes, motorboats, and, sometimes certain types of attractions such as amusement parks (Inskeep 1991, 345). This noise can have an adverse affect on the psychology of tourists who sought travel destinations for quiet and relaxation. Sightseeing helicopters and airplanes bringing new tourists are another source of noise pollution that stem from tourism. Some critics assert that this kind of noise scares wildlife, interferes with migration patterns and has negative impacts on nesting practices (Mieczkowski 1995, 194). Studies by the U.S.



Geological Survey find that low-level flights can damage historic and prehistoric artifacts, crack pictographs and also cause freestanding walls to tumble (Mieczkowski 1995, 194). The Mesa Verde National Park has been severely damaged by the vibrations of tourism helicopter rides (Mieczkowski 1995, 194). Noise pollution not only detracts from the tourists' experience and their willingness to come back, but reduces the health of the environment and historical and cultural monuments as well.

#### *4.3.4 Tourism causes visual pollution*

Visual pollution, can be caused by:

- Poorly designed hotels or tourist facilities. The construction of mega hotels that do not fit with the surrounding buildings creating an eyesore. It is important for tourist facilities to be designed in harmony with the building size and style in the area as well as with the landscape surrounding it, to avoid visual pollution;
- Use of unsuitable materials on external surfaces;
- Poorly planned tourist facilities;
- Inadequate landscape design;
- Use of large and gaudy billboard advertising that distorts the landscape and the streets in which the billboards are located; and
- Utilities lines and poles that are not well designed nor in harmony with the landscape.

These can create ugly views (Inskeep 1991, 345). Utility lines that spread everywhere and are not tucked in neatly to the natural landscape can dramatically detract from the natural landscape.

#### *4.3.5 Tourism creates a waste disposal problem*

The inadequate disposal of solid waste produced by hotels, restaurants and resorts can generate litter and environment health problems. That is, many tourism destinations do not have the necessary capacity to handle the excess waste produced by tourism—especially during tourism season. The costs and demands tourists place on the waste disposal systems do not cover the costs to improve or properly service the existing waste disposal capacity and services.

#### *4.3.6 Tourism causes ecological disruptions*

Ecological disruption occurs frequently as a result of unplanned tourism development. The destructive use of the fragile environment by mass tourism leads to ecological damage. Heavy use of parks and conservation areas tends to compact the soil around vegetation and stunt its growth. Erosion can also occur from overuse of hiking and riding trails in steep slope areas (Inskeep 1991, 345). For example, in certain coastal areas in England and Wales, the trampling nature of recreational horse riding has had damaging effects on the local plant community (Inskeep 1991, 346). Animal behavior also can be disturbed by the encroachment of tourism development on their habitat. Coastal and marine environments are particularly vulnerable to overuse and unsuitable tourism development. Such is the case in Florida; the breaking of coral by boat and ship anchors, and the killing of coral by sedimentation and pollutants resulting from onshore development, has become the primary threats to this specie (Inskeep 1991, 346). Unbridled coastal development and location of groins, piers and similar structures in the coastal waters may lead to changes in the local beach formation processes, leading to erosion and deposition (Inskeep 1991, 346).

#### *4.3.7 Tourism creates environmental hazards*

Environmental hazards occur with poor land use planning. Tourist facilities are built on sites that are environmentally unsuitable for them. This dilemma stems from the fact that most tourism destinations around the world are in countries that do not require timely and costly Environmental Impact Studies to catch these environmental problems. These poorly planned buildings can cause erosion, landslides, flooding and other problems. For example, there are deforestation programs in the Alpine region of Europe to service winter sport tourism that cause mudslides, floods, and avalanches. A series of mud slides in North and South Tyrol during three weeks in July 1987, left more than 60 persons dead, 7,000 homeless, and 50 towns, villages, and holiday centers wrecked (Inskip 1991, 347). Without proper planning and environmental controls, such disasters are inevitable.

#### *4.3.8 Tourism is detrimental to archeological sites*

Damage to archeological and historic sites can be caused by overuse or misuse of these intrinsically sensitive sites. Mass tourism can be destructive to historic sites through the erosion of surfaces and traffic fumes (Orbasli 2000, 59). The damage also occurs through excessive wear, increased humidity, vibration, vandalism, and graffiti writing (Inskip 1991, 347). Excellent examples of this wear due to tourism and its externalities include the Pyramids, the Parthenon, and the ever-crumbling Coliseum. Many tourism destinations with sensitive historical and archeological monuments have taken steps to reduce the effects of this wear and tear. An excellent example is Prague, a city that has become increasingly popular for its historic town center following the Velvet Revolution. Furthermore, authorities are considering cracking down even further by limiting the number of visitors (Orbasli 2000, 59).

The Velvet Revolution is the six-week bloodless overthrow of the Czechoslovak communist regime, which took place one month after the fall of the Berlin wall in 1989. In the communist era, the government controlled tourism and the number of tourists. After the revolution, mass tourism invaded many of these countries and cities, especially Prague, which is famous for its rich historical buildings. Mass tourism can physically destroy the old fragile historic sites by the sheer weight of the number of visitors.

#### *4.3.9 Tourism creates land use problems*

Land use problems are more likely to occur when building occurs without integrated land use and infrastructure planning. Tourism facilities may be designed in a ribbon or linear form that is inefficient to be served by the current infrastructure. This generates dangerous traffic conditions that can be visually unattractive. Building vacation houses or tourism accommodations can create sprawl, as well overload the infrastructure, leading to insufficient water supply and sewage disposal systems (Inskeep 1991, 347). The lack of zoning also promotes tourism development on vulnerable, sensitive land that could be better suited for agriculture, parks or strict conservation (Inskeep 1991, 346). This is the case in many coastal areas where hotels, facilities and houses that are built close to a shoreline that can easily be damaged by erosion or high waves during storms (Inskeep 1991, 346). A current example of this phenomenon is what happened on the many Pacific Islands that were hit by the tsunami in the winter of 2004. Good planning may not prevent damage by environmental disasters but may greatly reduce the extent of them (Inskeep 1991, 347).

Tourism demands new buildings that increase construction activity, but this construction can have negative impacts. While buildings are necessary and important to supply tourist needs,

when they are built on a pristine seaside or on agricultural land, they decrease the quality and value of the landscape. Also, basic city services are strained in supplying the needs of an overbuilt tourism site, while they ignore places where the locals live. Thus, the local population is involuntarily sharing its resources and services with foreigners. Another problem with new construction is that it can cause visual blight when it is not planned to blend with the natural features of the area (Gerlach 1991). Much new construction is designed out of scale with the surroundings causing what Gerlach calls “architectural pollution”. Such is the case of Costa Del Sol, Spain, where many multi-storied buildings have taken over the small fishing village to create a beach-front skyline (Gerlach 1991).

In summary, this examination of tourism’s impact on a host place of the last two chapter, i.e. Chapters Three and Four, has identified three major areas in which tourism has an influence: the economy, the socio-cultural milieu and the natural and built environment. First, Chapter Three identified twelve factors of positive impact. A full listing of the impacts can be seen in Box 4.4.

**Box 4.4: The Positive Impacts**

1. Tourism receipts/expenditures contribute to the income (GDP) of the host country
2. Tourism demand induces new local economic investment opportunities
3. Tourism creates new employment opportunities
4. Tourism generates construction activities that improve the community
5. Tourism imports foreign currency
6. Tourism increases tax revenues
7. Tourism inspires the preservation of historic sites
8. Tourism strengthens local awareness of cultural heritage as well as the cross- cultural relationships between tourists and locals
9. Tourism encourages the restoration and maintenance of important natural areas, ancient monuments and archeological treasures
10. Tourism improves the quality of the environment
11. Tourism promotes the improvement of the physical infrastructure
12. Tourism is an essential factor in educating people

Then, in Chapter Four, twenty major negative impacts were identified. See Box 4.5 for a full listing of these impacts.

**Box 4.5: The Negative Impacts**

1. Tourism expenditures are fleeting and capricious
2. Tourism causes loss of economic benefits and creates economic injustice in the community
3. Tourism causes an uneven distribution of economic benefits
4. Tourism causes price inflation
5. Tourism increases the value of real estate
6. Tourism employment does not benefit the locals
7. Tourism is problematically seasonal
8. Tourism decreases the value of foreign reserves
9. Tourism causes the degradation of historic places
10. Tourism decreases cultural authenticity, degrades cultural identity and instigates the commercialization of historic towns
11. Tourism creates social conflict
12. Tourism causes water pollution
13. Tourism creates air pollution
14. Tourism causes noise pollution
15. Tourism causes visual pollution
16. Tourism creates a waste disposal problem
17. Tourism causes ecological disruptions
18. Tourism creates environmental hazards
19. Tourism is detrimental to archeological sites
20. Tourism creates land use problems

The next chapter, Chapter Five, will structure these factors into a specific framework. Chapter Six will then discuss these factors in relation to the island of Santorini, and Chapter Seven will then apply the framework to this island.

## Chapter 5: Creating the Framework of the Impacts of Tourism

The main objective of this thesis is to study the impact of tourism on localities and their nations, and to create an analytical framework that will be applicable in assessing the impact of tourism on a host place and nation. Cities and towns are comprised of economic, socio-cultural, and environmental systems. Chapter Three and Four have identified the factors of impact in each area, and the purpose of this chapter is to compile these findings in a systematic, specific framework--See Figure 5.1.

Figure 5.1: Framework Model of Assessment

| Type of Tourism Impact  |                                     | Assessment of Impact |   |       |   | Comment |
|---|-------------------------------------|----------------------|---|-------|---|---------|
|   |                                     | National             |   | Local |   |         |
|   |                                     | +                    | - | +     | - |         |
| <b>Economic</b>   | 1. Expenditures contribution to GDP |                      |   |       |   |         |
|   | 2. Investment opportunities         |                      |   |       |   |         |
|   | 3. Employment                       |                      |   |       |   |         |
|   | 4. Construction                     |                      |   |       |   |         |
|   | 5. Foreign reserves                 |                      |   |       |   |         |
|   | 6. Tax revenues                     |                      |   |       |   |         |
|   | 7. Price Inflation                  |                      |   |       |   |         |
|   | 8. Seasonality                      |                      |   |       |   |         |
| <b>Socio-Cultura</b>  | 1. Historic preservation            |                      |   |       |   |         |
|   | 2. Cross-culture                    |                      |   |       |   |         |
|   | 3. Social conflict                  |                      |   |       |   |         |
|   | 4. Safety and Security              |                      |   |       |   |         |
| <b>Environmental</b>  | 1. Water                            |                      |   |       |   |         |
|   | 2. Air                              |                      |   |       |   |         |
|   | 3. Noise                            |                      |   |       |   |         |
|   | 4. Visual                           |                      |   |       |   |         |
|   | 5. Waste disposal                   |                      |   |       |   |         |
|   | 6. Roads                            |                      |   |       |   |         |
|   | 7. Airports                         |                      |   |       |   |         |
|   | 8. Ports/marinas                    |                      |   |       |   |         |
|   | 9. Agricultural land                |                      |   |       |   |         |
|   | 10. Erosion                         |                      |   |       |   |         |
|   | 11. Archeological sites             |                      |   |       |   |         |
|   | 12. Land use                        |                      |   |       |   |         |
| <p style="text-align: center;">           Serious Impact √√√√      Moderate Impact √√√      Minor Impact √√      No Impact √         </p> |                                     |                      |   |       |   |         |

Source: The Author

This framework integrates the multiplicity of factors in a unified way and provides a tool for a comprehensive assessment of tourism's impact on localities and their nations, whether these are negative (-) or positive (+) impacts. A tick mark will show the interrelationship between these factors and localities/nations, and they are then categorized into serious, moderate, minor or no impact. This framework has advantages as well as drawbacks. The advantages are:

- It enables a comprehensive rapid impact assessment of tourism development in a systematic way;
- It sets tourism within the broader economic, socio-cultural and environmental context, which helps identify the problems and facilitates the improvements; and
- It creates a benchmark that can be easily use to compare future developments, eliminate unsuccessful developments, improve current developments as well as create an on-going process for assessment.

However, this framework is not without its drawbacks. Since, the identification of socio-cultural and environmental impacts is less straightforward than of the economic ones:

- The socio-cultural impacts can be difficult to measure and record; and
- The environmental impacts are complex since they are caused not only by tourists, since many of the tourist facilities are used by both the tourist and local populations.

Despite these drawbacks, it is the author's belief that this framework is a valid tool for a comprehensive assessment of tourism development and that its applicability will help bring awareness of the magnitude of tourism impacts as well as contribute to the making of sound planning decisions.



## Chapter 6: The Impacts of Tourism on Santorini

In Chapters Three and Four, the author identified twelve positive factors and twenty negative factors that have major impacts on a host place. In this chapter, these factors will be discussed with regard to Santorini using the data collected on the island in the summer of 2004 by the University of Cincinnati Sustainable Development Team. The observations and findings of this chapter are directly tied to the author's observations and the report produced as part of the 2004 University of Cincinnati Development Program. Chapter Seven will then take the results of this discussion and apply the framework developed in Chapter Five to the island.

### 6.1 Positive Economic Impact

#### **Box 6.1: Positive Economic Impacts**

1. Tourism receipts/expenditures contribute to the income (GDP) of Santorini
2. Tourism demand induces new local economic investment opportunities
3. Tourism creates new employment opportunities
4. Tourism generates construction activities, which improve the community
5. Tourism imports foreign currency
6. Tourism increases tax revenues

#### *6.1.1 Tourism receipts/expenditures contribute to the income (GDP) of Santorini*

Greece had an estimated GDP of 213,600,000,000 dollars in 2004 (World Factbook 2004). Tourism accounted for 15% of the total GDP in 2004—or slightly more than 34 billion dollars (World Factbook 2004). Hence tourism is a major economic sector in Greece. On Santorini, tourism is the dominant economic sector. Tourism accounts for over 90% of the island's GDP (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004), and Santorini GDP in 2002 was estimated at 240 million Euros (Gyzis 2004). Thus, without tourism, the island's GDP would be made up of nothing more than the public sector and the agricultural sector. Today, the agricultural sector on Santorini is estimated to account for just 3% of the island's GDP, and most of the 3% is attributed to tourism because its products supply the demand

of tourism (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

Therefore, every economic industry in Santorini is ancillary to tourism. Without tourism receipts and expenditures, Santorini would likely be a sparsely inhabited island with little if any economy.

#### *6.1.2 Tourism demand induces new local economic investment opportunities*

Tourism is absolutely central to Santorini's economic investment. Residents and foreigners invest in new tourism related businesses and enterprises that otherwise would be impossible without tourism. These new businesses not only create new employment opportunities, but new forms of capital investment for locals. Santorini is literally covered with hundreds of tavernas, souvenir stores, cafes, and jewelry and art stores all-created because of tourism. Local goods like wine, fava, art and souvenirs containing images of Santorini's natural beauty are sold to tourists throughout the island. Hence, tourism not only creates the opportunity for new businesses for local residents, but the sale of local goods as well.

#### *6.1.3 Tourism creates new employment opportunities*

Before the introduction of tourism to Santorini, residents had but a few options for employment in Santorini: agriculture or shipping. In the past, almost the entirety of the island was somehow employed in either producing or shipping and packing wine and tomatoes. Today, tourism has taken over, as almost every resident on the island is employed because of the tourism industry. Residents are now employed in hotels, cafes and restaurants, as taxi cab drivers, small business owners, or in other tourism related fields. Tourism employment is so dominant that

there are not enough locals to fill all the tourism jobs. Foreign workers from Albania and Bulgaria are imported to fill low paying tourism jobs.

#### *6.1.4 Tourism generates construction activities, which improve the community*

Every year more tourism buildings are constructed or refurbished as investors try to fight for a piece of the tourist pie. These new buildings, and the value of tourism related businesses in Santorini, have spawned not only a healthy construction industry, but also a vibrant and high priced real estate market. Land and buildings in Santorini sell for much higher prices than elsewhere in Greece, making Santorini an attractive place to invest in real estate. In fact, the town of Oia boasts the highest priced real estate in Greece (Real Estate Interview 2004). Thus, residents of Santorini can invest in businesses or land, because of the economic power of tourism.

#### *6.1.5 Tourism imports foreign currency*

The importation of foreign currency no longer has as important of an impact on Santorini as in the past. Greece's decision to switch to the Euro has dramatically changed the amount of foreign currency imported. In the past, the drachma was a relatively undervalued currency that attracted tourists from countries with highly valued currency around Europe and America to come to Greece for a relatively cheap vacation. Greeks reinvested this highly valued European and American currency. Now, the vast majority of travelers to Santorini and Greece are from Europe, and since they also use the Euro, currency exchange is not needed. However, the recent high value of the Euro against the dollar and other currency has also greatly reduced the impacts of foreign currency exchange.

### *6.1.6 Tourism increases tax revenues*

The annual budget of the Municipality of Thira, the main municipality of Santorini, stands at 6 million euros (Gyzis 2004). Of that amount, 3 million euros come from the central government intended for routine expenditures, while the other 3 million euros come from local taxes, principally from a 2% local tax on tourism (Gyzis 2004). However, jewelry shops are currently excluded from the 2% local tax. Thus, the budget of the municipality is quite small, especially when factoring in salaries of government employees.

## **6.2 Positive Socio-Cultural Impact**

### **Box 6.2: Positive Socio-Cultural Impacts**

1. Tourism inspires the preservation of historic sites
2. Tourism strengthens local awareness of cultural heritage as well as the cross-cultural relationships between the tourists and the locals

### *6.2.1 Tourism inspires the preservation of historic sites*

The discovery of ancient Akrotiri by Spyridon Marinatos in the late 1960's spurred not only the creation of Santorini's tourism industry, but also the preservation of Akrotiri as a tourist destination. Today Akrotiri is considered a world-class archeological site, and perhaps one the most important archeological finds of the last century. The Ministry of Culture has protected acres and acres of land around Akrotiri, and a protective tourism friendly superstructure designed by the famed architect Findakakis has been constructed around Akrotiri. The artifacts found at the site have also led to the creation of an important museum in Fira. The cultural heritage of the architecture, wine, and tomatoes of Santorini is promoted and exploited by the tourist industry (although not nearly as much as it could be). Wine museums and cultural museums abound due to tourism.

Yet a number of culturally important sites have been poorly protected, despite their possible attractiveness to the tourism industry. In the early days of the Santorini tourism industry, the natural valley and hill settlements were preserved due to their unique historic and tourist related importance. Ancient Thira, although disorganized and poorly protected, has also been opened to tourists. The problems of many historically and culturally important sites not being protected by Santorini or the tourism industry will be discussed in detail in Section 5.5.

### *6.2.2 Tourism strengthens local awareness of cultural heritage as well as the cross-cultural relationships between the tourists and the locals*

As mentioned in Section 5.2.1, the tourism attractiveness and marketability of ancient Akrotiri, Santorini's unique architecture and the cultural significance of wine, tomatoes and fava have all been exploited by the tourism industry. Locals, therefore, have an understanding of the importance of these culturally important parts of their heritage. Yet, by and large, Santorinians hold the cultural significance of church, harvest, and wine festivals close to their chests. Many culturally important activities are preserved for locals only; tourists are not allowed. If anything, the threat of tourism to these traditions has helped preserve cultural practices that otherwise might have been lost.

Tourism on Santorini does strengthen cross-cultural bonds: German, French, Italian and American tourists all visit Santorini and immediately discover a different culture. They experience the relaxed Greek way of life and they embrace it. They experience Greek food and nightlife, Greek traffic and parking. However, Santorini in recent years has become so accustomed and acclimated to tourists, little of the traditional way of life and culture remains. The culture that does remain is not marketed and sold to tourists, but kept for the Greek residents

themselves. Hence in many ways, tourists are left with the impression of a nice Greek island that caters to tourists, but does not embody Greek culture or customs.

### 6.3 Positive Environmental Impact

#### **Box 6.3: Positive Environmental Impacts**

1. Tourism encourages the restoration and maintenance of important natural areas, ancient monuments and archeological treasures
2. Tourism improves the quality of the environment
3. Tourism promotes the improvement of the physical infrastructure
4. Tourism is an essential factor in educating people

#### *6.3.1 Tourism encourages the restoration and maintenance of important natural areas, ancient monuments and archeological treasures*

Attention is now been given on Santorini to major tourist attractions such Akrotiri and Ancient Thira on the expectation they will attract tourism to generate the necessary funds to maintain these important sites. In addition, a primarily ignored ancient site in Kamari is a work in progress; the goal is to create a museum on the site that could attract cultural tourism (Pothitos 2004).

The Natura 2000 program sponsored by the EU has recognized many natural areas on Santorini for protection, but it has yet to be fully implemented. Today, there is awareness amongst residents of the island, that to keep attracting tourism, the land and buildings around the caldera must be preserved from environmental pressures caused by excessive building along this fragile area. Politicians and people in Santorini have begun promoting rules to limit building around these unique natural resources-- such as around the Caldera. Yet again, nothing has come to fruition.

### *6.3.2 Tourism improves the quality of the environment*

The awareness of the benefit of tourism upon the island has forced residents finally to set rules to protect the island's environmental quality and natural beauty. An excellent example of this is found in new laws limiting the number of quarries in use, as well as in those calling for the closure of the existing quarries. The quarries not only are economically infeasible, but they produce dust and environmental problems that besmirch the beauty of the island. Of course the problem Santorini faces is how to implement this law and actually force the quarries out.

### *6.3.3 Tourism promotes the improvement of the physical infrastructure*

With all the extra infrastructure needs tourism places on the island, the leaders have discovered they must improve the quality of existing infrastructure. Hence, tourism has promoted the expansion of the airport and the creation of a 100 feet wide road that leads from the airport to cities on the island. However, this road widening was only extended for a small part of the existing road. Although many of the roads were paved and widened in tourism areas, they are still not of sufficient quality to carry the current capacity of mass tourism. The big coach buses and ubiquitous cars are just too much for the roads to handle in the tourism season. Many of the residential areas unaffected by tourism remain undeveloped and in poor condition. Many ports and marinas exist on the island, and they offer good connectivity, but they do not work effectively. Thus, while much infrastructure development has taken place due to the demands of tourism, much more upgrading is still needed.

### *6.3.4 Tourism is an essential factor in educating people*

The U.C. team's work was not able to include a social study to learn about how tourism contributes to educating people. Most entities that were interviewed were directly involved in benefiting from tourism--so in their representation seemed fairly well educated. The team's interaction with the general public produced mixed results. Some of the people seemed knowledgeable, and some others seemed to lack the right education and training in tourism services. There were recurrent complaints of lack of training for even the most basic tasks such as setting a table and washing dishes. However, there is a professional tourism education program in Fira, and the technical school has some courses in tourism skills.

#### **6.4 Negative Economic Impact**

##### **Box 6.4: Negative Economic Impacts**

1. Tourism expenditures are fleeting and capricious
2. Tourism causes loss of economic benefits and creates economic injustice in the community
3. Tourism causes an uneven distribution of the economic benefits
4. Tourism causes price inflation
5. Tourism increases the value of real estate
6. Tourism employment does not benefit the local population
7. Tourism is problematically seasonal
8. Tourism decreases the value of foreign reserves

##### *6.4.1 Tourism expenditures are fleeting and capricious*

Santorini has recently fallen victim to the fleeting and capricious nature of tourism. In 2001 according to the estimates of then deputy mayor Gyzis, Santorini had a Gross Domestic Product of 300 million euros, a number that decreased dramatically to just 240 million euros in 2002 (Gyzis 2004). The National Tourism Organization blamed 2001 and 2002 terrorism events for the drop in Greek tourism. In 2004, tourism expenditures were expected to decline even further, as Santorini had one of its worst tourism seasons in more than a decade. Other salient suggestions for the decline of tourism expenditures include the acceptance of the euro by the



Greek government, and rising tourism competition with cheaper non-EU competitors such as Turkey and Tunisia. Clearly, tourism competition around the world continues to increase, and the recent high value of the euro makes Greece and Santorini even less attractive to would be tourists.

The aforementioned decline can be especially harsh on places like Santorini, as it does not have a diversified economy to fall back on. Its entire economy is based on tourism. Thus, if there is an off-season, the income of the residents and government declines sharply. For instance, the off year of 2004 forced one shopkeeper in Kamari—with whom this writer became friends—to find another job this year just to pay the bills. With no other option but to rely on tourism, and with no way to protect itself from the natural fluctuations in the tourism market, Santorini will always be faced with years of feast or famine.

#### *6.4.2 Tourism causes loss of economic benefits and creates economic injustice in the community*

A great deal of the tourism money earned in Santorini is lost to other areas around Greece and the world. This problem occurs on Santorini, as many of the hotels, tavernas, and shops are owned by people who make their official residence in Athens or by foreigners, but not by residents of Santorini (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). These owners of tourism establishments return to Athens at the end of the tourism season each year, or never even set foot on Santorini. The problem with such a setup is that the money made by the tourism industry leaves the island instead of flooding the local banks, or finding its way into improvements of buildings. Large corporations are also encroaching on Santorini, poised to build huge resorts and take the profits back to their corporate headquarters. One such

large tourism development threatens sensitive rock formations on the south of the island. There are natural resources that cannot be renewed if destroyed.

This new large corporate tourism development will only create more low-paying jobs, which the residents of Santorini do not want, and are already in abundance on the island. Such trends are not beneficial for the economic health of the island.

Some areas attract all the tourism developments and employment, and some stay isolated from it. Areas that attract tourists get all the funds and subsidies to help businesses in tourism, while the others remain undeveloped. This trend is quite prevalent on the island of Santorini. The majority of tourism development upon the island is located around the caldera, or adjacent to the beaches. Towns in the interior of the island, such as Emborio, Pyrgos, and Exo Gonia, are left rather untouched and undeveloped. Historically important and unique buildings such as the Goulas in Emborio are left dilapidated and falling down. Tourism has not transformed these inner towns of the island. Thus, for better or worse, they are left to fend for themselves or rely on government money, since they are without the funds and economic power of areas around the caldera. The irony of this trend in Santorini is that the inner settlements and towns such as Pyrgos and Emborio contain some of the most unique and interesting spots on the whole island—and even in all of Greece. These settlements contain unique valley towns carved into the rock, Venetian castles and fortifications, bizarre and beautiful architecture, all relatively preserved from tourism. Hence, these areas have both been harmed and helped by tourism. On the one hand, they have been preserved, on the other hand, they have been left to rot.

#### *6.4.3 Tourism causes an uneven distribution of the economic benefits*

Santorini embodies a rather unique position in regards to uneven economic distribution. Many of the original residents of Santorini own the tourism establishments, or have sold their old agricultural land for tourism establishments. These former original residents are also some of the same people who now make their official residence in Athens during the off-season. Many of these establishments are kept within the family, so that the best jobs are only available to family members, not outsiders.

#### *6.4.4 Tourism causes price inflation*

Tourism based inflation, as has been discussed in Section 4.1.4, is naturally caused by the tourists' capacity to spend more than the locals. Tourists from developed European Union countries tend to earn higher salaries and have more assets than many Santorinians and Greeks—especially the multitude of seasonal workers who staff Santorini's tourism industry. This trend causes an inflationary spiral that raises the prices on commodities locals require, such as food, and transportation (Goeldner and Ritchie 2003, 393). However, the inflationary spiral found on Santorini is more or less the result of the rapacious greed of the owners of businesses in the tourism industry. Santorini shopkeepers and taverna owners traditionally charge tourists high prices to gouge them while they are on vacation. These shopkeepers and taverna owners take the view that the tourists will probably not come back to their island, and, thus, they try to get everything they can from them before they leave. Upon personal observation, however, this trend appears quite prevalent throughout the whole country, especially the tourist hot spots. Furthermore these same tourism business owners around the caldera charge ridiculous prices that they feel are justified by the view, and by the high real estate prices they paid for their establishments.

Inflation of goods on Santorini is also further exacerbated by Santorini's position as an island with few natural resources; thus, all goods from oil to water must be shipped to Santorini. Hence, prices of basic goods such as toilet paper and shampoo can be double the price on the mainland, due to the high costs of transportation, and relative limits on how much can be shipped to Santorini.

Hence, tourism in Santorini has caused a serious price inflation problem. Santorini is known throughout Greece as being one of, if not, the most expensive places in the country. Locals and seasonal workers cannot afford to pay the much higher prices on every item and good due to tourism. This creates a serious problem attracting workers to Santorini, and it also inhibits Santorinians' power to save and invest money.

#### *6.4.5 Tourism increases the value of real estate*

Tourism developments on Santorini compete with other more traditional land uses, but as tourism is usually the most profitable land use, many small local businesses and agriculture lands get sold for tourist developments. The once expansive vineyards on Santorini—that used to cover 65% of the land area just a hundred years ago—have shrunk to just 19% land areas coverage today (Freese 2005). All throughout the island, agriculture has been swallowed by tourism developments; countless hotels and rental rooms rise unexpectedly through now neglected vineyards. The simple reason for this agricultural loss is that real estate prices are so high it makes much more economic sense to either build a tourism development or sell farmland to tourist developers.

The rise in real estate prices makes owning or living in a tourist area prohibitively expensive to locals, driving them from the area (Page 2003, 315). This is especially true in the

towns of Oia, Imerovigli, and Fira. Any locale close to the caldera or the beach is far too expensive for any local to live. Real estate prices in Oia are amongst the highest in the EU. Thus locals are forced to live in the center of the island, far enough away to force them to use cars or the inadequate bus system to go to work. This trend has contributed to the loss of open land on the island as well, as the only real estate prices that are reasonable are those in areas that used to be used for vines or tomato cultivation.

#### *6.4.6 Tourism employment does not benefit the local population*

Expanding opportunities of employment do not necessarily benefit the local community especially the high-level jobs that frequently go to foreigners or close friends (de Kadt 1976, 12). Most of the available high skill or high paying jobs are only obtained with family connections. Such is the case in Santorini, where few have high skills. However, due to the fact of keeping business opportunities for high paying jobs, when available, in the family, they are held by less skilled people. This lack of opportunity is found in the fact more than 35% of the students that complete the mandatory nine years of education leave the island (U.C. Sustainable Development Report 2004). The decline is even steeper in those students that complete a full 12 years of education. Obviously the relative lack of opportunities for those with higher-level degrees on the island is the reason for the decline.

Those jobs that are available are thankless low skill and dead end tourism jobs like waiter, cashier, and cook. These are jobs that only the young or seasonal workers staff and that do not increase the standard of living on the island.

#### *6.4.7 Tourism is problematically seasonal*

This seasonal nature of tourism presents problems for employers, making it difficult to recruit and retain employees (Seaton 1994, 335). This problem is quite serious for Santorini, as employers must recruit workers to work for only the summer months. The impacts of seasonal employment on Santorini are substantial. For instance, there are 13,670 official residents who live on Santorini, but in the tourist season 67% of official registered employed persons are Non-Greek foreigners (Meliti 2004). It is likely that there are a many, many, more non-official or registered workers living on Santorini during the seasonal tourist season. Thus, the official 13,670 population figure is quite misleading, as during the summer months, the resident population on the island may be double or greater than the “official” number (U.C Sustainable Development Report 2004). The non-official immigrant workers are also generally low skilled workers from Albania and Bulgaria willing to work long hours for poor wages—driving down the skill level and wages of tourism workers. These swarms of seasonal tourism workers also put strains on the existing social and physical infrastructure at times when the island is daily overwhelmed by more than 50,000 tourists (U.C Sustainable Development Report 2004).

Seasonality also leads to limited returns on investment in the consumption and production of tourism infrastructure as most of the businesses come to a halt or close completely in off-season (Page 2003, 314). Just a handful of tavernas, shops, and taxis remain in operation (U.C Sustainable Development Report 2004). However, these tavernas and shops must pay taxes, rent and utilities during these months, despite the fact they are not earning any income. This situation causes many businesses to depend entirely on the fruits of each tourism season. Businesses, hotels and tavernas are induced to drive up prices during these high season months to make enough money to pay for the costs of the off-season. Clearly, one can quickly ascertain this troubling paradox: due to the seasonal nature of tourism on Santorini, tourism businesses are

forced to drive up prices even when demand is low to make enough money. However, in doing this, these very same businesses kill the affordability and attractiveness of the island to tourists. Tourists will tell their friends of the high prices, and will most likely not come back to such a costly island. Hence, tourism demand will continue to drop, and tourism businesses will continue to raise prices that will only exacerbate the problem.

#### *6.4.8 Tourism decreases the value of foreign reserves*

Foreign exchange is used for the importation of goods, and Santorini being an island, all goods other than some wine and a few crafts must be imported. The benefit of foreign exchange earnings is reduced if the imported goods and services are utilized to supply the demand of tourism, which they clearly are in Santorini. However, the value of foreign exchange, as has been discussed previously in this paper, has been greatly reduced since Greece switched to the euro. As almost 90% of the tourists visiting Santorini are from Europe, the earnings and value of transforming higher priced currency into lower priced drachmas has been lost to Santorini (U.C Sustainable Development Report 2004). Thus, Santorini is left with same high priced currency as its tourists, with no exchange value or power.

### **6.5 Negative Socio-Cultural Impact**

#### **Box 6.5: Negative Socio-Cultural Impacts**

1. Tourism causes the degradation of historic places
2. Tourism decreases cultural authenticity, degrades cultural identity, and instigates the commercialization of historic towns
3. Tourism creates social conflict

#### *6.5.1 Tourism causes the degradation of historic places*

Overcrowded tourism can spoil streetscapes and cause them to lose their charming appearance by exceeding their capacity. This is the case in Santorini, where in the high season, tourists overwhelm the capacity of the existing streets and also the walkways around the caldera. These walkways, built hundreds of years ago, cannot handle the stresses put on them by tourism. Bottlenecks occur and the feeling of being closed in constantly occurs. Also, tourists who expect to experience a peaceful and stunning sunset in historic Oia find themselves among thousands of other tourists who wish to experience the very same thing. Hence, overcrowding in Santorini detracts from the overall tourism experience and the quality of life of those who live on the island.

Historical degradation caused by tourism is most obvious at Ancient Thira. Ancient Thira is a historically important Classical-Hellenistic site that sits on top of a mountain above Kamari. The picturesque views and the importance of the site to the creation of the Greek alphabet have attracted thousands of tourists. Today, Ancient Thira resembles a nightmare of improper planning and maintenance. Visitors to the expansive site are left to wander around on their own, unsupervised, causing many antiquities to be stolen. There are no maps, few signs, no guides, and very dangerous paths. The road up to Ancient Thira is also extremely dangerous. By letting tourists in to Ancient Thira, the Greek government has unwittingly led to rapid disintegration of this very important historic site.

#### *6.5.2 Tourism decreases cultural authenticity, degrades cultural identity, and instigates the commercialization of historic towns*

In order to create an authentic historic experience for tourists, authentic heritage is reduced to chosen interpretations of history, and the actual physical remains become a marketing



tool specifically selected and packaged as products to lure tourists (Orbasli 2000, 2). On Santorini, the best example of this trend, is found in the shop owners who peddle cheap pictures and trinkets inspired by the ancient civilization of Akrotiri. There are only a handful of unimportant cultural museums upon the island.

However, by and large Santorini does not suffer from this problem. If anything, Santorini doesn't do enough to exploit its historical and cultural heritage. For the most part, those historic sites that could be marketed to tourists like the valley settlements and the Venetian castle in Pyrgos are left totally un-marketed and thus untouched by tourists. The wine, fava, and tomatoes on the island are poorly marketed as part of Santorini's historical heritage—which they are. Hence, Santorini doesn't exploit its historic heritage as much as it should and could. However, modern development around the settlement is damaging the integrity of historic settlements types (UC Sustainable Development Report 2004).

Yet another danger of tourism inspired conservation is when the objective of conservation accommodates tourists' western life style--such as the need for air conditioning, swimming pools, and nightlife (Orbasli 2000, 52). This is the case on Santorini. The traditional Cycladic architecture along the caldera has been transformed into hotels, shops, clubs and café's because this is what tourists want. The traditional uses of these buildings have been totally lost. Demand for pools has led many hotels on the caldera to build illegally swimming pools that are environmentally unfriendly.

Traditional spatial relationships and kinship ties become disassociated and severed due to tourism (Selwyn 2001, 42). Family ties are broken and give way to individualism, with the younger population moving away to Athens to begin new lives. Many other residents are abandoning the family business in agriculture to begin what is thought to be a better opportunity

in tourism. Hence the old cultural and family identity of Santorini has been increasingly lost to tourism.

The rich culture of a tourist destination, if an attraction, becomes secondary when it is endowed by a good climate. The sun and sea are frequently consumed in day-trips to nearby beach destinations (Orbasli 2000, 52). Tourists are inclined to be attracted to places on the beach or along the caldera. Historic towns are left to dilapidation, while beach and caldera areas are overwhelmed. Most tourists who visit Santorini visit because of its outstanding natural beauty and its equally wonderful sun drenched climate. Thoughts of seeing a Venetian castle, villages cut into valleys, unique traditional wine presses called canava, all found on Santorini, are generally not even an afterthought to most tourists. This summer, locals made a point to show off their historic treasures to the U.C. team. These were treasures that were falling down and could be repaired with paltry sums of money. The U.C sustainable development group, of which the author was part, was always the only group of people who were at these places, and, most likely, the only non-locals on the island who even knew of these historic gems. Thus, the problem of how to market and preserve these historic places to tourists who come for nothing more than sun and natural beauty is a problem the island of Santorini must solve.

### *6.5.3 Tourism creates social conflict*

The growth of tourism may bring with it the loss of privacy for the locals (Orbasli 2000, 57). On Santorini, the locals have few places to go where tourists will not bother them. Tourists are everywhere, and they are seen as nothing more than walking money. It seems most Greeks don't think the tourists are all that interested in Greek culture, so what Greek culture is marketed to them is usually a stereotypical and watered down version. This social tension caused by

tourism is most prevalent in the youth of Santorini who vent their anger towards the outsiders by revving their loud scooter engines at all hours of the night.

Another problem is the economic changes tourism brings. In a tourism market economy, shopping is a big part of the travel industry. Local small-scale family businesses are often forced out of the local market to be replaced by an attractive large-scale market or vendor (Orbasli 2000, 66). Locals move out of the center to make way for larger markets run by outsiders, leaving the locals resentful and alienated. On Santorini, locals have been fighting the inclusion of large and outside businesses for years. Yet recently, due to factors out of Santorinian's control, many large businesses have been attempting to build large hotels on the island, forever altering the hotel market. If such large-scale businesses are allowed in the future to locate on Santorini, social tension is sure to increase amongst the many small business owners on the island. Again, more data need to be collected in this regard.

## **6.6 Negative Environmental Impact**

### **Box 6.6: Negative Environmental Impacts**

1. Tourism causes water pollution
2. Tourism creates air pollution
3. Tourism causes noise pollution
4. Tourism causes visual pollution
5. Tourism creates waste disposal problems
6. Tourism causes ecological disruptions
7. Tourism creates environmental hazards
8. Tourism is detrimental to archeological sites
9. Tourism creates land use problems

#### *6.6.1 Tourism causes water pollution*

Santorini lacks water resources in both quantity and quality. Santorini gets a small percentage of its usable water from collected water in cisterns, and the rest comes from deep wells that tap into the aquifer that presently has saltwater intrusion. The municipality also

supplies 60% of the water from its own wells, and the rest comes from vendors. The drinkable water comes in shipments from Crete or mainland Greece. The demand for water is, of course, much higher in the summer peak season, as is mentioned in Chapter Four. Since tourism consumption of water is much higher than the demand of the locals, it adds tremendous pressure to the already existing problem.

While tourism is not the only culprit, on Santorini it is responsible for much of it. There is enough evidence to show that unregulated and uncontrolled tourism and recreation cause water pollution on a local scale (Maciekowski 1995, 207). The growth of tourism development promotes the dramatic increase in the construction of impervious surfaces such as roads, buildings, and paved lots. The paving of water basins and waterways with roads and lining them with walls dramatically changes the character of the water flows. These changes produce faster moving waters and create less area for water infiltration into the soil, resulting in erosion and decreased recharge of the aquifers (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

#### *6.6.2 Tourism creates air pollution*

The technology used on Santorini to produce energy is inefficient and outdated, and there is a lack of alternative, clean energy resources. The type of fuel that is used heavy fuel oil, inefficient, costly, and potentially polluting (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004). In addition, the heavy use of rental cars, motorbikes, and coaches is generating a real threat to air quality.

#### *6.6.3 Tourism causes noise pollution*

Tourists are on a vacation to have fun and break away from the routine of daily life. Having fun is often associated with enjoying loud music and behaving in certain inappropriate ways. However, perhaps due to the exclusivity and the expensive nature of most Santorini tourism, the U.C. team did not observe noticeable amounts of noise from tourists on the island. The noticeable noise that invades Santorini's serenity is the heavy use of noisy motorbike around the island, and the planes that fly over the beach of Kamari.

#### *6.6.4 Tourism causes visual pollution*

In order to attract tourism, business owners in Santorini advertise on billboards everywhere. These billboards are not well designed and do not fit in harmony with the scale of the surrounding landscape. They spread everywhere, creating eyesores. Also, tourism facility structures look out of touch with the scale of the island, making them aesthetically unappealing. The landscape on the island is neglected and often full of junk and refuse. This takes away from the beauty of the island and its outstanding landscape. Unfinished rental rooms, and hotels rising out of vineyards dot the otherwise beautiful landscape. The multitude of unfinished cinder block buildings gives Santorini the look of a third world country, greatly reducing its attractiveness. Furthermore, electric lines and poles have not been updated and look quite old and deteriorated. On the main square of Kamari a large, old, ugly, and unsafe electric transformer sits in the middle of the square.

#### *6.6.5 Tourism creates waste disposal problems*

The waste generated by tourism structures such as hotels and restaurants is a serious problem in Santorini. Presently, the majority of treated water from wastewater treatment plants

is directed to the sea and is not utilized as a potential water source for some types of irrigation, urban reuse, and limited household use.

Several communities do not have access to the main sewer network. Domestic and non-domestic areas that are not connected rely on septic tanks or other means for wastewater disposal. The condition of these systems is not known, and contamination of groundwater resources might be occurring (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

Solid waste is littered throughout the islands in illegal dumps, along roadsides, and especially in areas near waste receptacles. Individuals visiting and those residing on the island lack awareness and incentives to ensure that waste is deposited in appropriate receptacles and not littered. The problem is increased in the tourist season.

Five operating vehicles exist for waste collection, and in the summer, they work on an almost continuous basis. At the height of the tourist season, waste is collected 4 times a day in Fira. Waste in other smaller communities is collected up to 2 times a day. Not only is there a lack of waste collection vehicles, but also these vehicles are very old and need to be updated. These vehicles leak oil and non-degradable liquid waste. This waste falls onto the roads creating slick surfaces during rainstorms causing accidents. An additional issue is that the use of donkeys results in manure build up over the years and creates a visual and noxious nuisance. Finally, waste is often not disposed of in the existing receptacles, but instead waste will be left on the side of the receptacle (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

#### *6.6.6 Tourism causes ecological disruptions*

Santorini, like many small islands, has a very fragile ecological system. Yet today, ecological disruption is taking place everywhere on the island. Unplanned and unbridled tourism development contributes to this problem. The Mediterranean SOS Network has identified practices degrading the sea and coastlines in Greece. These include dumping waste directly or indirectly into the sea, constructing roads and parking areas along the majority or entire coastline, replacing endemic flora with shade plants, beach cleaning with improper equipment and a lack of knowledge resulting in loss of vegetation, sand-dunes, and removal of beach materials, and the damaging of sea-beds and sea-grass meadows by the use of anchors and propellers on boats (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

The expansion of development without consideration of the natural features of the land has severely affected the ecosystem and biodiversity. Impervious surfaces from roadways and development, in addition to a lack of storm-water management, have led to erosion by altering natural water and sediment flows. The alteration of water flows furthers erosion and increases the frequency and intensity of flooding that leads to the destruction of the natural environment. Increases of sedimentation in coastal areas can result in cloudy waters leading to a change in the marine communities to less light-dependent flora and fauna, a change in habitats, and eutrophication. Additionally, changing the natural flows, nutrient flux, salinity, and circulation of the seawaters can alter and permanently change the marine ecosystem. Waste disposal along coastlines including the dumping of raw or diluted sewage and solid waste (especially plastics such as water bottles), pose a lasting threat to the coastal environment, human health, and tourism. Marine life and ecosystems are also threatened by over-fishing that eliminates habitats and shelter, reducing the reproductive stock and the use of techniques such as dredgers to destroy

entire marine communities (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

#### *6.6.7 Tourism creates environmental hazards*

The ports in Santorini have caused disastrous effects in terms of coastal erosion. For example, the failed creation of a port at Monolithos beach that was proposed in the 1880's resulted in building one stone jetty. The effects of this port have been terrible for the shore to the south of the port. The stone jetty caused a significant loss in beach area and sand at Kamari Beach to the south. This story is the same throughout the beaches of Santorini. Nearly every port on the beach-line of the island has a visible effect on the shore to its south, leaving these beaches rocky and nearly sand-less, while eroding the width of the beach and natural cliff wall. These manmade structures also affect the tide. Additionally, many of these ports and their immediate surroundings have become congested with sand and beach debris (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

The port of Athinios receives passengers and freight simultaneously. This not only causes congestion but the cargo that comes into the port presents some dangerous situations. Oil brought into the port is not pumped from the boats but instead is emptied into trucks to be transported up a winding road, and this could impose fire hazards. What make the situation even more dangerous is that there are no fire protection facilities. If an accident or fire takes place, there no refuge or escape route for travelers.

In many areas of Santorini, unplanned coastal development and the location of groins, piers and similar structures in the coastal waters lead to erosion and deposition. This is clearly



happening on the most frequented beach of Perissa, where a wall that was built is causing changes in water movement and erosion.

Coastal roads create unique problems such as pollution, noise, and danger to people using the beach and coastal areas, creating the possibility of severe degradation along the coast. Officials from the KTEL agree with the possibility of such problems and suggest that no roads should be established along the coastline unless no alternative exists (Interview with KTEL 2004).

#### *6.6.8 Tourism is detrimental to archeological sites*

Tourism does not only affect the natural, but the cultural environment as well. Archeological sites can become endangered simply because of the wear and tear caused by a mass of visitors. It can also be degraded by graffiti and be subject to theft when tourists take souvenirs from the archeological sites. The clearest example of this trend is found in Ancient Thira, a site that has been plagued by tourists taking home souvenirs that are actually important archeological artifacts. Archeological sites uncovered in Kamari Beach have been built over with tourism development. However, no data have yet been collected in this regard, and this could be an important issue to be investigated in further work. This is primarily the expertise and domain of the very powerful Ministry of Culture.

#### *6.6.9 Tourism creates land use problems*

The current law governing land use and development divides the island into three zones. Zone I is the Caldera zone, which is the area between the caldera road and the caldera rim. Development within this zone is very restricted with limits on the size and type of developments

allowed. Zone II is the settlement expansion zone, which is a ring around designated settlements on the island. Within this zone, development is allowed to occur at higher densities than in the other zones. Finally, Zone III is all of the land not designated in Zones I or II, and is generally described as the rural area of the island. Within this zone, building is regulated to result in low density and scattered development.

Consequently, agricultural land, traditional settlements and cultural sites, natural areas, and sensitive coastal areas are not offered protection from development under the three zones. The current zoning code is thereby inadequate to control development in many rural areas. This creates sprawl.

The law promotes exploitation of the land for high profit development causing landowners to give up their land to development. Additionally, there is no protection to many natural sites. Agricultural land, traditional settlements, natural areas, and sensitive coastal areas are not offered protection from development under the current law. This lack of control creates land use problems, where many pieces of land are developed in disharmony with the surrounding agricultural and natural areas (U.C. Santorini Sustainable Regional Development Phase A: Analysis 2004).

The lack of land use controls encourages scattered development and sprawl. It also creates issues with infrastructure provision; more roads and traffic, power lines, and water lines are required. The way in which the law allows construction to happen promote sprawls and patterns of development, which are counter to the traditional patterns of development on the island. All of this is happening for tourism purposes.

In tourist areas of Santorini where the market value of land varies widely based on access to views or beaches, assessed land values used for tax purposes are usually significantly higher

than the actual value of the land. For this reason, landowners feel pressured to put their land to the most profitable use possible. In effect, this system promotes the exploitation of land for high profit development, that is, to tourism development, which contributes to the scattered development found in Zone III defeating the land use legislation.

It is true that there is land use law that specifies the legal types of land use in Santorini, but it is neither implemented nor enforced. This creates all sorts of illegal development on the island that is altering the landscape and creating irreparable damage to the natural resources of Santorini.

## Chapter 7: Application of the Framework to the Island of Santorini

This chapter now uses the framework of Chapter Five and the discussion of Chapter Six to assess the impact of tourism on Santorini. The results of the assessment and the use of this framework are analyzed.

| Type of Tourism Impact |                                     | Assessment of Impact |   |       |      | Comment  |
|------------------------|-------------------------------------|----------------------|---|-------|------|--|
|                        |                                     | National             |   | Local |      |  |
|                        |                                     | +                    | - | +     | -    |  |
| <b>Economic</b>        | 1. Expenditures contribution to GDP | √√√√                 |   | √√√√  |      | -Tourism contributes to the economy of Greece and Santorini  |
|                        | 2. Investment opportunities         | √√√                  |   | √√√   |      | -Public and private sectors in Greece and Santorini are stakeholders in the tourism industry<br>-Tour operators often run by foreign investors       |
|                        | 3. Employment                       | √√√√                 |   | √√√   |      | -Most locals in Santorini are employed in tourism sectors<br>-Foreign labor is used in Santorini as well   |
|                        | 4. Construction                     | √                    |   |       | √√√  | -Construction is crowding the landscape of Santorini and the size of new construction is not in harmony with the traditional buildings on the island |
|                        | 5. Foreign reserves                 | √√√                  |   | √√    |      | -Tourism contributes to foreign reserves but part of it has to be used to import goods to supply tourism demand.                                     |
|                        | 6. Tax revenues                     | √√√                  |   | √√√   |      | -Related tourism shops do not pay tourism tax.   |
|                        | 7. Price Inflation                  | √√√√                 |   |       | √√√√ | -Tourism makes Santorini one of the most expensive places in Greece  |

|                       |                          |  |  |      |      |  |
|-----------------------|--------------------------|--|--|------|------|--|
|                       | 8. Seasonality           |  |  | √√√  | √√√√ | -Most businesses close at least five months a year.<br>-50% of the workforce goes on unemployment benefits during the off-season.                              |
| <b>Socio-Cultural</b> | 1. Historic preservation |  |  | √√√  |      | -More work and maintenance are needed on historic buildings and areas.<br>-Lack of financial incentives for preservation.                                      |
|                       | 2. Cross-culture         |  |  |      |      | -Data collection did not include social surveys, therefore, data are needed.   |
|                       | 3. Social conflict       |  |  |      |      | -No conflict observed<br>-A social survey study is needed.   |
|                       | 4. Safety and Security   |  |  |      |      | -During interviews with people in the tourism sector, no one mentioned any criminal activity.  |
| <b>Environmental</b>  | 1. Water                 |  |  |      | √√√√ | -Water is unhealthy to use and expensive to supply.  |
|                       | 2. Air                   |  |  |      | √√√  | -Cars, motorbikes and coaches generate air pollution.  |
|                       | 3. Noise                 |  |  |      | √√√  | -Cars, motorbikes and coaches disturb the serenity of the island   |
|                       | 4. Visual                |  |  |      | √√   | - Skeletons of constructions are eyesore.<br>- Mega-tourism developments are obliterating the landscape.<br>-The island's beauty is still unmatched.           |
|                       | 5. Waste disposal        |  |  |      | √√√√ | -Unhealthy garbage disposal practices.   |
|                       | 6. Roads                 |  |  |      | √√√√ | -Roads are used over their capacity in the tourism season.   |
|                       | 7. Airport               |  |  | √√√√ |      | -Airport was expanded to make the island more easily accessible.   |
|                       | 8. Ports/marinas         |  |  |      | √√√√ | -Ports and marinas are not functioning adequately in high season.<br>-Ports and marinas cause beach erosion.<br>-Lack of marinas to attract high end tourists. |

|  |  |  |  |      |   |
|--|--|--|--|------|---|
| 9. Agricultural land   |  |  |  | √√√  | -Lands are being lost either to tourism development or abandoned.   |
| 10. Erosion  |  |  |  | √√√√ | -If current erosion patterns are not dealt with soon, the island will no longer attract tourism.  |
| 11. Archeological sites  |  |  |  | √√√  | -Akrotiri is the only archeological site that attracts the attention of the government and tourists.<br>-There are many other sites that need protection.<br>- There is a lack of connectivity between the archeological sites. |
| 12. Land use   |  |  |  | √√√√ | -Current zoning codes are inadequate to control new development and to protect natural resources.   |
| Serious Impact √√√√      Moderate Impact √√√      Minor Impact √√      No Impact √ |  |  |  |      |   |

A Framework Impact Assessment of Tourism on Santorini  
 Source: The Author

In applying the framework to Santorini, the findings indicate the impact of tourism on this island and the nation are well connected when it concerns the economy, but it is not the case with regards to the socio-cultural and environmental impacts. That is, the economic gains and losses are shared on both the local and national levels, while at the socio-cultural and environmental levels, they are limited to the local place.

On the economic level, tourism has a potential positive economic impact on both local and national levels. It generates good earnings through direct tourism expenditures and taxation. It is also an active stimulant for employment opportunities and a medium for development. Tourism encourages local businesses that are mostly owned by locals on the island of Santorini. Locals, however, often keep the business in the family, limiting the opportunities to bring in more qualified skilled people, which creates insufficient tourism services. Seasonality in tourism

is a serious problem nationwide, but its negative impact is quite clear on the island because of the lack of other economic sectors. The problem is that Santorini's economy is overly dependent on tourism, which is subject to many fluctuations and changes, and the question is how Santorini can diversify its economy or create a system of diversified tourism the year round. Another important question is how Santorini can optimize the economic benefit of tourism while minimizing the negative impacts.

On the socio-cultural level, the major advantage of tourism in Santorini is that it promotes the preservation of the culture and the island's historical heritage, while also promoting cross-cultural understanding through the interaction of tourists and residents. However, the rich history of Santorini and its monuments have not been fully explored in attracting the higher end of the tourism market. There is a lack of incentives as well as a lack of funding to encourage this aspect of preservation. By and large, these primary observations of the socio-cultural impact of tourism on Santorini would benefit from further data collection. However, the question still becomes what the residents of Santorini can do to protect their heritage from being lost.

On the environmental level, the main benefit associated with tourism is the provision and incentive for the protection of natural resources. However, the environmental impacts suggest that tourism development has negative consequences such as the loss of agriculture land to tourism development, the abandonment of agriculture work and the destruction of the physical environment caused by over development. The over building of Santorini and current development practices leave the landscape vulnerable to destruction and diminish the sensitive character of the landscape beyond repair. Noise, pollution, and congestion have negative impacts on Santorini and its population, as they affect, not only the environment, but also the social life of the residents, who are used to a slower pace of life during the off season . The infrastructure is

not sufficient to carry the load of tourism in the peak season. The island of Santorini lacks sufficient fresh water and an adequate waste disposal system, and scattered developments add to the load on the infrastructure, affecting roads and the sewage system as well as the water system and electric services. The current land use controls are not sufficient to protect sensitive areas from development, and, where they exist, they are not enforced. The question thus becomes what Santorini can do to make tourism less detrimental to both the natural and built environments.

### *Recommendations*

As we have seen, tourism has brought changes to Santorini, but not all changes have been positive, especially on the socio-cultural and environmental levels. First, tourism planning has become the focus of state policy at different levels because of the opportunities it provides for the pursuit of wider economic goals, such as balancing current accounts, generating employment, or improving place imaging (Williams and Shaw 1998, 375). The problem occurs when locals, who are usually more concerned with the interests of the community, are excluded during the development of tourism policy. This is the case in most Mediterranean destinations, where autocratic regimes were in charge during the decades of growing tourism development (Williams and Shaw 1998, 376). This is the reason why many of the small islands are still struggling with correcting the impacts of mass tourism that began five decades ago, and these islands include, unfortunately, Santorini as well.

A tourism planning policy is more likely to fail if it is not linked to other sectors of the economy such as agriculture. Agriculture makes a good contribution to the tourist industry, especially on many of the Mediterranean islands, and, if it is ignored, it will become costly to both the local and the national governments. A country's economy will be jeopardized if it



becomes dependent on tourism as its only source of revenue. The lack of a tourism policy that can regulate and plan tourism development will not only cause the loss of agricultural lands in the region, but will also impose a high expense on the country by creating the need to import agricultural products, which requires foreign currency.

Unplanned and unbridled tourism development leads to the uneven distribution of benefits to the local population, which creates numerous problems. If tourism development is left in the hands of private sector participants, such as tourism companies and financial groups, there will not be an inclination to serve the other segments of society.

It is not enough to plan tourism development within the framework of a sound tourism policy; the careful implementation of such a policy is just as important. If a policy is formulated in collaborative efforts on both the national and local levels, it is more likely to be successful, because it earns layers of support that make implementing it much more feasible.

On the economic level, a sound tourism policy will integrate all aspects of tourism into the local community and create less conflict and contradictions by creating support of all the parties affected by the growth of tourism. It will take into consideration the capacity of the host place, and it will create appropriate training for the local population instead of bringing in qualified outsiders, and, finally, it will encourage local businesses and encourage the involvement of women in the business process. An active tourism policy would provide a good educational background and skills specific to tourism through hotel and pension management programs, which will insure that members of the local population will have higher positions within management (Harrison, 710).

Tourism policy should also be involved in the protection of the socio-cultural aspects of the local community. A country that has a defined policy regarding the assets of the community

can evaluate the socioeconomic impacts of tourism on the community and can then enact programs to prevent or mitigate future negative socioeconomic impacts. Culture is another issue that is addressed through a conservation policy to encourage the protection of cultural heritage. Such is the case in Spain, where the Spanish government has been promoting ‘culture for all’ with the intention of encouraging community interest in local culture (Orbasli 2000, 35). Policies that boost socio-cultural programs protect the community’s traditions from being lost and could boost high-end cultural tourism.

Environmental policy can not only preserve and protect the world from the negative effects of tourism, but can also protect tourism itself, allowing it to continue as a good generator of income. Evidence shows that tourists demand the environmental qualities of appealing views and scenery as well as an attractive, relaxing ambience and sense of place (Bramwell 2004, 33). Poor land use planning and engineering design of tourist facilities can harm the character of the landscape, thus generating erosion, landslides, flooding, and other environmental hazards. Environmental policy that regulates the use of land and protects and conserves sensitive areas would not only prevent human and natural disasters from occurring but also protect the natural resources for future generations.

In sum, the assessment of tourism in Santorini clearly illustrates the importance of tourism activity at both the local and the national levels. The unique socio-cultural and environmental heritage resources of the island attract millions of visitors every year. Yet, the destination fails to ensure the protection of its resources the ability to optimize tourism’s impacts in order to promote the prosperity of the island and its residents. A collaboration between public and private sectors is urgently needed to produce a comprehensive master plan that would guide policy and regulations as well as guidance for their enforcement. Lastly, the island needs to

create an on-going process to monitor the impacts of tourism in order to minimize the negative impacts and optimize the positive impacts that will ensure the continuity of the island as a tourist destination, as well as contribute to the prosperity and well being of its residents.

### *The Use of this Framework*

This framework is a systematic approach to assess tourism impact on a host place, and it has been applied in this study to Santorini. Tourism plays a major role in Santorini and many small destinations like it. Tourism affects every aspect of life in a host place, and this impact is very complex and entangled, requiring a framework to better understand the many factors and their interconnectedness. While the factors identified in this framework are the major factors of tourism impacts, they are by no means all. Any subsequent researcher may add to the framework as (s)he recognizes more factors that are essential to his or her own tourism study.

This framework provides a “snapshot” list of factors that brings awareness and attention to the most important issues that are raised by tourism. It also identifies data that need to be collected. The vision of the framework is that more study is needed to improve it, as there will always be changes over the years and room for more in-depth improvement.

## **Chapter 8: Conclusions**

This final chapter will review and synthesize the findings of Santorini, and draw some general conclusions. Finally, it will offer suggestions on how to continue such a tourism impact study in the future.

For the most part, there was excellent literature on the impact of tourism throughout the world, but none was found about tourism in Santorini. At least there was none available in the English language. Sifting through the literature about tourism impacts, the author identified twelve major positive and twenty negative factors which were then organized in a framework and applied to Santorini using the data collected about Santorini in the summer of 2004.

Comparing the negative and positive impacts of tourism on the economy, it is obvious that the primary positive impact is tourism's contribution to the Gross Domestic Product of Santorini and the nation. However, this income is neither steady nor guaranteed. It is subject to the political climate (e.g., the decline of tourism after the September 11 terrorism attack on the U.S.), to competitiveness with other, less expensive, tourist places, and the constantly changing preferences of tourists. The economic data collected about Santorini were ample and quite sufficient for the study.

Looking at the socio-cultural impact, the author utilized her personal observations and the observations of the rest of the U.C. team. She solicited from many members of the team their thoughts on each subject, to confirm that her observations were valid. On the social level, there was not much information about tourism impact on the locals and how it affects their lives. This lack of information was compounded by the fact that the U.C. team did not conduct a social survey during its work on the island. It did not interview average local residents; therefore, it was not possible to assess the tourism impact on the island socially. If a social assessment impact is

to be done, further study needs to be pursued. On the cultural level, an impact assessment could not be thorough either, because presently tourism on the island remains for the caldera, the sun, the beach, and the excellent climate. The majority of tourists on Santorini are just not all that interested in cultural exploration. This trend is obvious in the many blighted historic buildings found in the settlements on the island. Each time the U.C. team visited there were hardly any tourists. It is apparent that Santorini does not capitalize on its cultural heritage and, therefore, there is lack of both programs and incentives for historic preservation.

The major negative impact of tourism on the island is that on the built and natural environment. Assessing the data collected about the built and natural environment shows that the impact of tourism on Santorini is threatening the environment. Sewage, roads and natural sites are all used and abused by tourism development. If current development continued in this manner, Santorini would soon not be an attractive place to visit. Therefore, immediate attention is needed; private and governmental entities need to work together and enforce policies to update and protect the infrastructure and natural resources.

The primary conclusion of this thesis is that tourism is neither blight nor a blessing. Tourism can make substantial contributions to the economy and to social and environmental development in many host countries. On the local and national levels, whether tourism brings economic benefits or disadvantages to a host place depends on the kind of tourism demand, the nature of tourism development, the structure of the local economy and the role of the government. There is a need to consider the impacts of tourism-both benefits and disadvantages-and plan for it. Decisions regarding tourism development should be taken consciously and methodically, and programs carefully planned as a part of the national development effort. By planning for tourism, a host place and a nation can capitalize on the benefits and minimize the

negative impacts, while protecting the resources of the place. This is a major challenge, but it needs to be considered seriously before places that count on tourism lose their assets, resources and tourism income.

The illustration from Santorini shows that tourism on the island has become detrimental, and a comprehensive plan must be put in place if the island is to offer a quality of life for its residents to be sustained for future generations. The problem is that Santorini is not capitalizing on its real asset as a unique cultural heritage site to attract high-end tourism. The island has only capitalized on the caldera's outstanding views. The island is competing to develop tourism attractions that threaten the very existence of the beauty that attracts tourism. This necessary comprehensive master should guide policy and regulations as well as provide clear guidance for their enforcement. A good tourism development policy that controls and limits the type of development would play a major role in stopping the detrimental effects of mass tourism that are bringing more harm to the island than benefits.

Finally, the world has become flat, and tourism is expected to continue growing even among countries that traditionally never attracted tourism. This requires host places to be aware of the negative impacts of tourism. If tourism development is unplanned and unbridled, that can outweigh the positive impacts of tourism. Using the factors specified in Chapter Seven, one could assess, categorize, and link tourism data. A further study to create an even stronger framework and to develop a better way to measure tourism impacts would facilitate any future researchers' work. The framework developed here is a good systematic tool to assess the impacts in a comprehensive and holistic way, but it is only a modest beginning.

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