



**LOCAL COMMUNITY PERCEPTIONS OF TOURISM
AS A DEVELOPMENT TOOL: THE ISLAND OF
CRETE**

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DEDICATION TO THE ISLAND

«Στη μέση του θαμπού γιαλού
ένα νησί είναι η Κρήτη,
όμορφη και πολύκαρπη και θαλασσοκλεισμένη,
πόχει κατοίκους άπειρους
κι' έχει χωριά ενενήντα....

Πόλη μεγάλη είναι
η Κνωσσός της Κρήτης,
όπου ο Μίνως
του Δία συνομιλητής
βασίλευε εννιά χρόνια».

Έτσι περιγράφει ο Οδυσσέας την Κρήτη
στην Ομήρου Οδύσσεια Τ (172-179)
(Μετάφραση Ζ. Σιδέρη, 1956)

*“Out in the dark blue sea
there lies a land called Crete,
a rich and lovely land,
washed by waves on every side,
densely peopled and boasting ninety cities...”*

*One of the ninety towns
Is a large city called Knossos,
and there, for nine years,
King Minos ruled
and enjoyed the friendship of Zeus”*

This is how Odysseus described
Crete in Homer's Odyssey XIX (172-179)
(Translation by Murray, 1928)

ABBREVIATIONS

AEs	Accommodation Establishments
ANOVA	Analysis of Variance
BTS	Barlett's test for sphericity
CBD	Central Business District
CEs	Catering Establishments
EC	European Community
EIA	Environmental Impact Assessment
EU	European Union
ERDF	European Regional Development Fund
GDP	Gross Domestic Product
GNP	Gross National Product
GRD	Greek Drachma
HNTO	Hellenic National Tourism Organisation
KMO	Kaiser-Meyer-Olkin
NGOs	Non Governmental Organisations
NSSG	National Statistical Service of Greece
OTAs	Local Governments
PPS	Probability Proportionate to Size
RBD	Recreational Business District
S.A.	Societe Anonyme
TA/CRs	Travel Agencies/Car Rentals
YPEXODE	Ministry of Environment, Physical Planning and Public Works
UNEP	United Nations Environment Programme
WTO	World Tourism Organisation

USING THE GREEK AND ENGLISH ALPHABET IN STATISTICS

β	Beta coefficient
ρ	Spearman's normal correlation coefficient (rho)
χ^2	Chi square
df	Degrees of freedom
H^2	Communality
r^2	Coefficient of determination

ABSTRACT

In recent decades tourism development has expanded on most Mediterranean islands. Focusing on the island of Crete, this study recognises tourism as a highly visible and controversial component of change. The existence of the necessary infrastructure, the natural beauty, the climate, the culture and the history have contributed to tourism expansion, with Crete now attracting approximately 25 percent of foreign tourist arrivals and 55 percent of the total foreign exchange earnings of Greece. The perceptions of the local community in tourism were studied using personal interviews with three community groups: local authority officials, residents and tourism business owners and managers. The aim was to examine their views on tourism development, in an attempt to establish overall desired directions for tourism development and to suggest effective tourism strategies and policies to reinforce positive outcomes and alleviate problems resulting from previous unplanned tourism development. The research findings identify much agreement among the three community groups suggesting that it is feasible to further develop tourism with the support of the community. Although the areas used in the sample were in the maturity stage of Butler's (1980) life cycle model and therefore it might be expected that the community would be at the antagonism stage of Doxey's (1975) model, this was not suggested by the findings. Tourism is viewed positively as a development option, and further tourism development, with conditions attached, is supported. The expansion of tourism has brought economic gains, employment creation, increased population, enhanced community infrastructure and cultural and environmental preservation. However, there is limited co-ordination of tourism activities and insufficient collaboration between the public and private sector. In addition, the island is dependent on foreign tour operators, and the tourism industry is uneven geographically and seasonally. Tourism has modified traditions and has affected the environment and society. Since community perceptions match reality (what is on the ground from development), problems are real and it is necessary to find solutions for their amelioration. As a result, policy implications emerging from the results presented in this thesis are discussed and future strategies are suggested.

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CHAPTER ONE: INTRODUCTION

1.1 SIGNIFICANCE OF THE TOURISM INDUSTRY

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

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

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

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

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

1.2 TOURISM IN ISLANDS AND HOST COMMUNITIES

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

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

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

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

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

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

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

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

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

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

1.3 FOCUS, AIM AND OBJECTIVES OF THE RESEARCH

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

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

This study will attempt to contribute to tourism research in relation to islands which are constituent parts of metropolitan countries, by focusing on the Greek

island of Crete, a developing island with an important, if not a dominant, tourism industry. Crete has expanded its tourism industry to a greater degree than any other region of Greece. Tourism in Crete amounts to approximately 25 percent of foreign tourist arrivals to Greece and generates 58 percent of the total travel exchange in the whole country, although its share of the national total hotel beds is less than 20 percent (HNTTO, 1998; RITTS, 1999).

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

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

Many authors have proposed various models, or amended existing models (e.g. Miossec, 1977; Butler, 1980; Gormsen, 1981; Hovinen, 1982; Young, 1983; Meyer-Arendt, 1985; Richardson, 1986; Martin and Uysal, 1990; Getz, 1992;

Ioannides, 1992; di Benedetto and Bojanic, 1993; Johnson and Spenenger, 1993; Weaver, 1993; Butler, 1997) for predicting the tourism development of a destination or community. Additionally, there is a growing body of research concerned with the impacts of tourism and the perceptions of the community, although there is a void in the research on how to influence the tourism development and planning process of a destination which is needed to mitigate the negative impacts of tourism on the community. By designing the process necessary to develop and implement tourism development, the impacts and the contribution of tourism to the destination can, to an extent, be predicted. As this study investigates tourism as an important tool of development in island destinations, the investigation of the tourism development and planning process is considered essential, since many island locations have seen tourism as a panacea for underdevelopment problems. As a result, research that marries tourism with island community development is essential in order to explain how tourism can be used as a development tool.

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

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

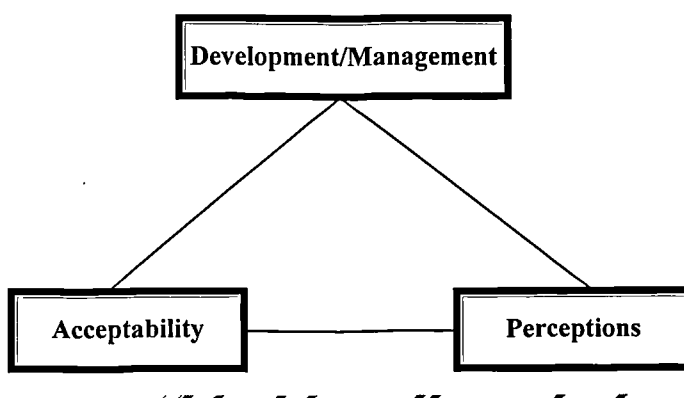
The support for tourism can be measured by the perceptions of the local population which can dictate the extent of the host community's acceptability of

tourism. The three groups of people who are important in tourism development are:

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

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

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



The overall aim of this research is to examine the local community's views of tourism development, in an attempt to establish overall directions for tourism development and to suggest effective tourism strategies and policies to alleviate problems resulting from previous unplanned tourism development.

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

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

1.4 OUTLINE OF THE RESEARCH

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

CHAPTER TWO: TOURISM DEVELOPMENT

2.0 INTRODUCTION

Development by its nature is a process of change and may be explained in a variety of ways. Harrison (1992) and Woodcock and France (1994) suggest that traditional development approaches could prove a useful framework for the explanation of tourism development patterns and processes. In the literature, approaches to development range from the laissez-faire (simply doing nothing) to diffusionism, dependency and sustainability, although no approach has ever attained absolute dominance. In addition, various dichotomous alternatives have been proposed for the implementation of the above approaches, such as large versus small, mass versus alternative, exogenous versus endogenous and capital versus labour-intensive.

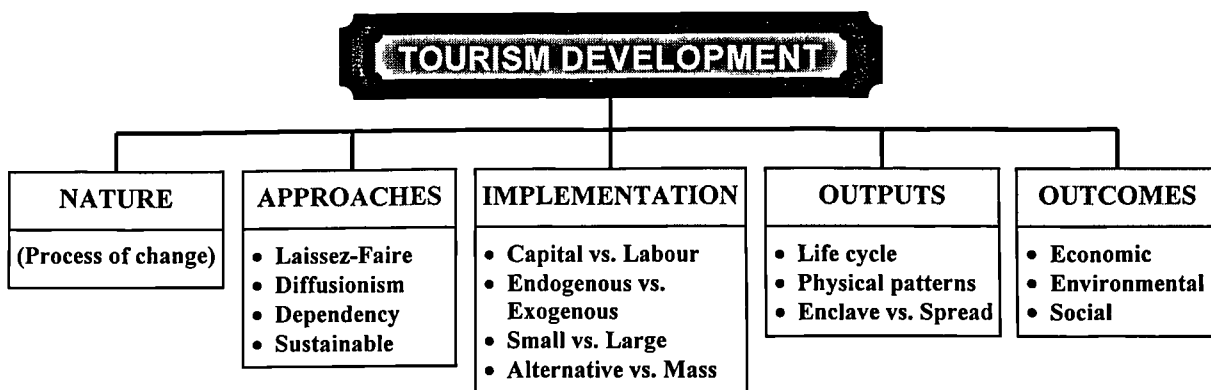
There are two type of models that contribute to the better understanding of development: the explanatory and the descriptive. Explanatory models (e.g. diffusionist) refer to the factors (preconditions) that cause development/growth. In tourism, there are two pre-conditions of development, namely the 'necessary' and the 'sufficient' (Rostow, 1990; Auty, 1995). 'Necessary' pre-conditions include various factors that pull people to different destinations, very often nice landscapes and archaeological sightseeing. However, although there are many destinations that have some necessary pre-conditions, they never move from the potential of development to actually developing, because they lack the 'sufficient' preconditions, i.e. somebody's will to develop the tourism industry, e.g. investments in infrastructure and accommodation.

Descriptive models (e.g. life cycle explanations, physical models and enclave versus spread out developments) examine tourism from the angle of what appears on the ground, e.g. large hotels, facilities etc. The majority of tourism development research has been concentrated on descriptive explanations, mainly

life cycle models (Butler, 1980; Cooper, 1990; Martin and Uysal, 1990; Foster and Murphy, 1991; Getz, 1992; Ioannides, 1992; di Benedetto and Bojanic, 1993; Johnson and Snepenger, 1993; McElroy et al., 1993; Bianchi, 1994; Agarwal, 1997; Douglas, 1997; Goncalves and Aguas, 1997; Tooman, 1997; Oppermann, 1998; Priestley and Mundet, 1998; Russell and Faulkner, 1998; Knowles and Curtis, 1999). Similarly, much research has been conducted emphasising the outcomes of development - economic, socio-cultural and environmental (Mathieson and Wall, 1982; Liu and Var, 1983; Haukeland, 1984; Dogan, 1989; Ap, 1992; Tsartas, 1992; Uysal, 1992; Wheat, 1993; Archer and Cooper, 1998; Buhalis and Fletcher, 1995; Haralambopoulos and Pizam, 1996; Lindberg and Johnson, 1997; Korca, 1998; Brunt and Courtney, 1999; Gamage and King, 1999).

The aim of this chapter is to add to past research by identifying the ways in which tourism develops through the investigation of the development process components (Figure 2.1). It does this in five sections covering: the nature of development; the approaches to development; how these approaches are implemented; and the outputs and outcomes of the development process.

Figure 2.1: The components of the tourism development process



Source: Author.

2.1 THE NATURE OF DEVELOPMENT

The concept of development has been under discussion for many years and has been given numerous interpretations. Friedmann (1980, p.4) and Oppermann and

Chon (1997) observe development as one of the 'more slippery terms in our tongue' and suggests development as 'an evolutionary process' with 'positive connotations'. In particular, Friedmann (1980) states:

Development is always of something, a human being, a society, a notion, an economy, a skill ... It is often associated with words, such as under or over or balanced: too little, too much, or just right ... which suggests that development has a structure, and that the speaker has some idea about how this structure ought to be developed. We also tend to think of development as a process of change or as a complex of such processes which is in some degree lawful or at least sufficiently regular so that we can make intelligent statements about it (p.4).

Ingham (1993) views development in a similar manner to Friedman by attributing to development a dual nature, consisting of both a process and a goal. Todaro (1994) sets three goals of development: human survival needs (mainly food and shelter), standards of living (such as education and health), and human rights (such as social justice and political sovereignty).

Despite pervasive tourism growth over the last decades and the use of tourism by many countries and islands as a development strategy, development literature has almost neglected tourism as a development approach (Apostolopoulos, 1994; Gunn, 1994; Sinclair, 1998). However, development through tourism is a strategy utilised by governments to improve residents' welfare through income and employment generation, and to help a destination to move from a position of 'poverty' or 'under-development' to a position of 'wealth' or 'more-development'.

Rostow (1960) identifies a natural path to economic growth (process) which all societies or nations have to follow if they want to become modern. This path includes five stages beginning with the traditional society and progressing through the stages of the preconditions for take-off, the take-off, and the drive to maturity, before reaching the final stage of high mass consumption. Rostow (1960) recognised that for a quicker and better development of a country a major role is played by a free and dynamic private sector in partnership with an efficient public

sector. However, he identified the danger of detouring, when some countries depart from capitalist development to the deviant route of socialism-communism.

Although Rostow's model does not address tourism growth, in particular, but general economic growth from any type of activity, it is a useful tool to explain economic growth in tourism. Tourism can offer to a destination a natural path to economic growth through various stages, ranging from traditional non-tourism where no tourists visit the destination, to the precondition to take off where explorers and drifters make their appearance, to maturity where the destination is visited by mass individual tourists, to the final stage of mass consumption where the destination is visited by mass organised tourists. From this it is evident that Rostow set the roots for most of the models that have attempted to explain tourism evolution. Therefore, many authors have incorporated into their evolutionary models many of Rostow's stages, although using tourism-specific terminology.

2.2 APPROACHES TO DEVELOPMENT

Since tourism is a process of change it is imperative to investigate the following approaches to change introduced by development scholars.

2.2.1 Laissez-faire

The tradition of 'laissez faire' suggests that with minimum interference by government and the efficient operations of individual entrepreneurs the production and exchange of goods can be stimulated and a consequent rise in the general standards of living attained. However, such freedom cannot ensure basic social values, such as equitable income distribution. Instead, it permits the accumulation of vast wealth and powerful vested interests leading to the poverty of a major part of the society. In tourism the laissez-faire approach should be avoided because it can result in deleterious effects due to the remarkable consequences of uncontrolled tourism development on the survival of environmental and cultural resources and the danger of destinations losing their authenticity in the drive for quick and easy profit.

2.2.2 The diffusionist paradigm

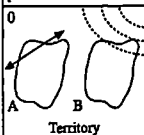
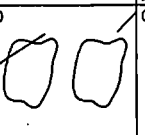
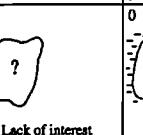
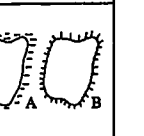

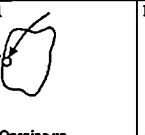
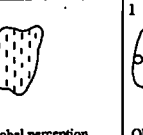
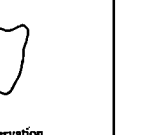

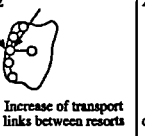
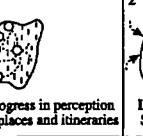

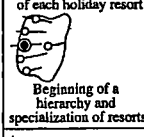
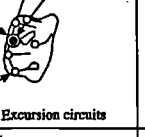
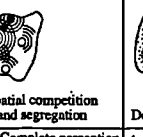
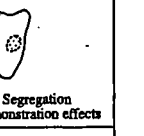

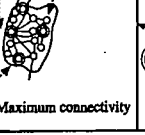
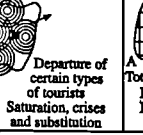
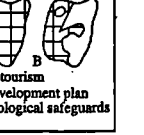
Diffusion is a process where economic growth spreads-out from one location to a number of others (Sarre, 1977; Rostow, 1990; Auty, 1995). This spreading-out process can be better implemented through development. "Development is inevitable, (it) occurs in development stages, and is diffused from the development core towards peripheral areas" (Oppermann and Chon, 1997, p.36). A prerequisite of diffusion is the process of innovation, which does not have to be something new, but may exist in other areas, and it can refer to tangible objects, like machines, or less tangible phenomena, like tourism (Sarre, 1977; Potter et al., 1999).

Diffusion in tourism has two sides. Firstly, the demand side is concerned with how tourists are informed about the destination and decide to visit it. Usually the tourist product is not supplied directly to the public but intermediaries control its distribution. As a result, the supply side is concerned with the ways that a destination develops the tourism industry. Supply side involves the institutions, e.g. governmental or exogenous agencies that make decisions. In every destination there are some individuals or institutions that decide first to produce tourist facilities. Once a small number of producers create some facilities that are successful in attracting tourists, more individuals decide to adopt the innovation, usually located near existing producers. Hägerstrand (1967) calls this the neighbourhood effect on innovations. This diffusion of innovation results in social change by which alteration occurs in the structure and function of the social system, by borrowing or adopting cultural traits of other countries (Sethna, 1980; Rogers, 1995).

Miossec (1977) developed a diffusionist model of tourism space, depicting the structural evolution of a destination through time and space and noted changes in the provision of resort and transport facilities and subsequent behavioural and attitudinal changes amongst tourists, decision-makers and the host population. He argued (Figure 2.2) that diffusion happens in five phases (0, 1, 2, 3 and 4) from isolation, with no development, to the creation of a pioneer resort together with

the necessary transportation means for the accessibility of the resort, to a multiplication of resorts and further transportation links, and to saturation through an even distribution of resorts across the country. Through these phases changes in local attitudes occur that may lead to the complete acceptance of tourism, the adoption of planning controls or even the rejection of tourism (Pearce, 1989).

Figure 2.2: Tourism space dynamics

Resorts phases	Transport phases	Tourists phases	Hosts phases
<p>0</p>  <p>Territory Traversed Distant</p>	<p>0</p>  <p>Transit Isolation</p>	<p>0</p>  <p>Lack of interest and knowledge</p>	<p>0</p>  <p>Mirage Refusal</p>
<p>1</p>  <p>Pioneer resort</p>	<p>1</p>  <p>Opening up</p>	<p>1</p>  <p>Global perception</p>	<p>1</p>  <p>Observation</p>
<p>2</p>  <p>Multiplication of resorts</p>	<p>2</p>  <p>Increase of transport links between resorts</p>	<p>2</p>  <p>Progress in perception of places and itineraries</p>	<p>2</p>  <p>Infrastructure policy Servicing of resorts</p>
<p>3</p>  <p>Spatial organization of each holiday resort Beginning of a hierarchy and specialization of resorts</p>	<p>3</p>  <p>Excursion circuits</p>	<p>3</p>  <p>Spatial competition and segregation</p>	<p>3</p>  <p>Segregation Demonstration effects</p>
<p>4</p>  <p>Fully developed hierarchy and specialization Saturation</p>	<p>4</p>  <p>Maximum connectivity</p>	<p>4</p>  <p>Complete perception and visitation Departure of certain types of tourists Saturation, crises and substitution</p>	<p>4</p>  <p>Total tourism Development plan Ecological safeguards</p>

Source: Miossec (1977).

Miossec suggested that over-development can result in decline, setting so limits for the degree of development that a resort or a country can sustain. However, Miossec may be criticised in that he failed to recognise that tourism cannot develop in an 'empty space' but usually develops "within an existing socio-economic structure where some form of urban hierarchy and some transport networks are already found" (Pearce, 1989, p.18).

The process of diffusion from the development core to the periphery can be easily materialised through tourism, due to the increasing demand of modern tourists for

new destinations. The expansion of the tourism industry implies greater interaction of the 'trickle-down effects' and the possibility of regional disparity adjustment. Tourism can result in a positive influence on tourist receiving destinations with benefits to individual welfare and collectively in socio-economic development. Since tourism expenditure results in linkages to other economic sectors, e.g. agriculture, handicrafts, and building, high multiplier effects, and employment creation for locals, international tourism has been seen by governments of peripheral regions as an instrument for their economic development, as emphasised by Christaller (1964) and Potter et al. (1999).

Nevertheless, sometimes the results of the diffusion process are different. In some nations diffusion, through tourism, has not led to significant economic development and improvement in individual welfare, but has increased regional inequalities, disparities between socio-economic classes and elitist entrenchment. According to Brown (1981):

Within third world nations elitist entrenchment prevails and there are still enormous disparities between social and economic classes, as well as among regions, in their level of social welfare and economic development (p.229).

As a result, diffusion does not immediately appear over the entire country or island. There are areas where diffusion emerges first, in others later, and in some never. However, what is the reason for this? As Friedmann (1973) and Potter et al. (1999) asserted, usually the core dominates the periphery in economic, political and innovative functions, and therefore diffusion in the core usually emerges first. On the other hand, the periphery is not a homogenous entity, and therefore, parts of it differ in their potential for development. As Brown (1981) suggested:

Periphery areas may be upward transitional because they are located in proximity to development impulses emanating from the core, or because they are located between two core cities and thus constitute a development corridor. Alternatively, there are periphery areas that are downward transitional because they are located far from the centres of economic activity, or because their social norms are exceptional traditional (p.253).

This has been illustrated by many authors (e.g. Britton, 1982; Pearce, 1987; Oppermann, 1993) who propose that tourist resorts are usually created in the vicinity of international airports. Since most of the time international airports are frequently close to the capital, resorts are located in these areas. For example, in Dominica, half of all accommodation establishments are in the capital Roseau (Weaver, 1991). Oppermann (1993) asserted that the most successful way to direct tourists to other regions is the opening of a new airport. Since the sea and sand attract most tourists, airports are constructed frequently along the coast.

Developing nations and islands consist of a declining 'traditional' sector, and a growing 'modern' sector. The traditional sector comprises an indigenous culture and is characterised by a sub-culture of peasantry or social norms oriented towards maintaining the status quo (Brown, 1981, p.252; Potter et al, 1999). On the other hand, the modern sector incorporates the influence of foreign, primarily developed world, economic practices and social norms (Brown, 1981; Potter et al, 1999). Through the input of new ideologies, technologies and expertise from external to the region agents, there is a change in the structure of the economy and the society of underdeveloped regions. As Harrison (1992) remarked:

Economically, there is a shift from agriculture to industry (and from rural to urban), and a central role for money and the money market. Socially, the influence of the family and other collectivities declines, institutions become more differentiated, and a pivotal role is played by 'modernising' elites and other 'change agents' in introducing modern values and institutions, often in the face of hostile or resistant tradition... If investment capital, entrepreneur skills, technological knowledge and values necessary for modernity are absent from societies which are 'developing', they can be diffused from outside, perhaps as some form of aid, provided there are sufficient, and sufficiently powerful, indigenous change agents to act as catalysts and carry the rest of society with them, albeit unwillingly (p.9).

Developing societies have to pass through a series of development stages similar to those experienced by many western countries (Barnett, 1988; Harrison, 1988; Loeb and Paredes, 1991; Wall, 1997). Development may be better achieved along Western lines and through the movement from the 'traditional' agricultural sector into a modern sector (Clancy, 1999). Consequently, the diffusionist paradigm

proposes that the only way to achieve development is through the elimination of the 'under-development' characteristics and the acquisition of characteristics already adopted by the more-developed regions (Browett, 1980; Oppermann and Chon, 1997). However, Wall (1997) criticised the process of modernisation because:

It involves high levels of abstraction with limited discussion of the role of local involvement, that it suggests a unidirectional path which all must follow in order to develop, and that it smacks of western ethnocentrism as revealed in the First- and Third-World labels ascribed to parts of the globe. It has little to say about the importance of traditional values, and perhaps implies that the maintenance of tradition and modernisation may not be compatible goals (p.36).

2.2.3 The dependency theory

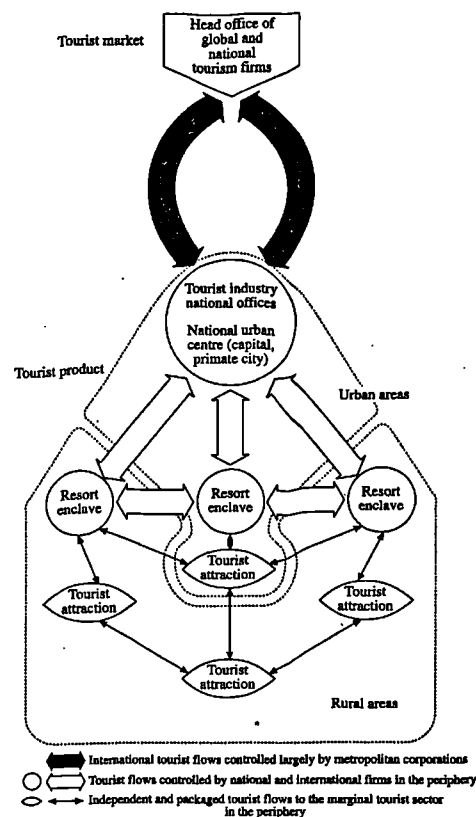
The diffusion of development from Western countries to underdeveloped peripheral regions brings changes in the form of modernisation of the economic structure, through foreign investments and control, as well as reinforcement of elites as agents of change. Therefore, the diffusionist paradigm was criticised because it did not relate to those structural conditions which prevail in 'contemporary under-developed regions' (Browett, 1980; Oppermann and Chon, 1997). As a result, according to several researchers (Briton, 1982; Erisman, 1983; Wilkinson, 1987; Lea, 1988; Briton, 1989; Auty, 1995; Milne, 1997; Wilkinson, 1997a), forms of 'dependent development' have emerged in many developing countries.

According to the notion of dependent development, while economic growth has occurred in some countries of the periphery, such development has produced undesirable features that distinguished it from the capitalist development in the core (Hunt, 1989; Potter et al., 1999). The absence of sufficient capital, and subsequent low investment and productivity, result in the periphery being trapped in a vicious circle of poverty (Myrdal, 1957; Potter et al., 1999), with peripheral tourism controlled and exploited by 'the industrial core regions' (Keller, 1987; Potter et al. (1999). As a result, tourism evolution in many island destinations

matches patterns of neo-colonialism and economic dependency, where ‘wealthy metropolitan Western societies’ overwhelmingly dominate the travel business of under-developed destinations by exploiting their resources through developing ‘tourism enclaves’, as Matthews (1977) and Wilkinson (1987) have reported regarding the Caribbean islands.

Britton (1982) illustrated this situation in his enclave model of tourism in developing countries (Figure 2.3). He indicated that tourism in developing countries is spatially concentrated and organised in the metropolitan economies, usually a capital city, where the “headquarters of metropolitan tourism corporations and associated non-tourism companies are located” (Britton, 1982, p.341). Since metropolitan enterprises are actually located within the principal tourist markets they have direct contact with tourists, they dominate major facets of the industry, such as technology, marketing, product pricing and design, and thus, they control the link in the tourist flow chain (IUOTO, 1976; Britton, 1989; Wilkinson, 1997b). Foreign headquarters of the tourism-generating countries organise the package tour (transportation, accommodation and excursions) and therefore there is a “capacity of the dominant tourism sectors to control tourist expenditures through the control of tourist movements, to the relative exclusion of the petty producer sectors” (Britton, 1982, p.346). The only uncontrolled facet by foreign headquarters is some of the consumption patterns of tourists during their residence, e.g. items they purchase, entertainment, and other services. Although Britton (1982) developed his model almost twenty years ago, his notions are still appropriate.

Figure 2.3: Enclave model of tourism in developing countries



Source: Britton (1982).

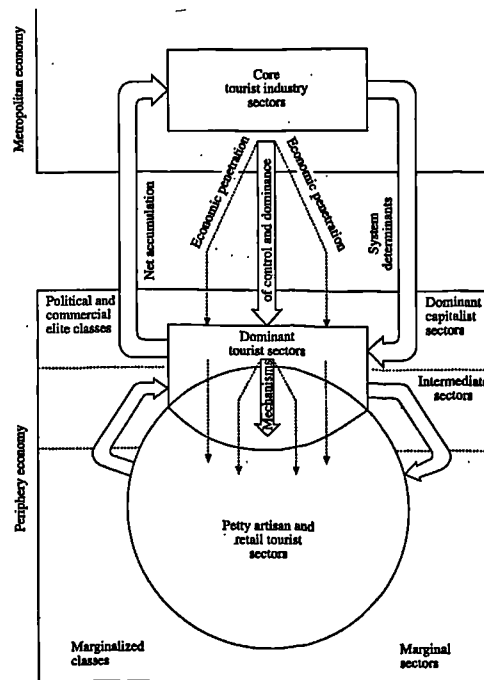
In effect, the locus of control over the development process and local resources shifts from the people that are most affected by development, the host community, to the tourism-generating countries, with adverse effects on the environment, the society and the economy (Hall, 1994; Hall, 1996). Local people find themselves “enmeshed in a globally integrated system of resource use over which they cannot exercise control” and they become “the targets of top-down decision-making by elitist bodies exogenous to the community” (Brohman, 1996, p.55).

The dependency paradigm presented in Britton’s enclave model may be criticised for being directed towards only one segment of the tourism market, the package tour. Consequently, it disregards the significance of individual and domestic tourists for the economy and welfare of a destination area. In addition, the dependency theory neglects the importance of domestic institutions, particularly local and national governments, and consequently those bodies influencing the industry’s development process. It fails to formulate alternative prescriptions for

tourism development in developing countries (Oppermann and Chon, 1997, p.40) and ignores the fact that in some cases local firms of developing countries control major facets of their tourism industry, e.g. accommodation establishments in Jamaica (Wilkinson, 1997a) and the major airline of Fiji (Lockhart, 1997a).

The dependency paradigm has neglected the domestic aspects of tourism in developing countries, as illustrated by Britton's (1982) second model: the structural model of tourism in developing countries (Figure 2.4). Britton tries to explain that dependency does not exist only between metropolitan and developing countries, but also within developing countries, between the more developed urban centres and the peripheral areas. Tourism development does not develop in an empty space but usually develops in the capital and large urban centres with proximity to international airports. Companies located in the urban centres of developing countries have the financial ability and political support to invest in the peripheral areas (Potter et al., 1999). As a result, these companies control the industry of the periphery, reducing further the economic benefits of peripheral regions.

Figure 2.4: Structural model of tourism in developing countries



Source: Britton (1982).

2.2.4 The sustainable development approach

The aforementioned approaches fail to consider the needs of the local community and the importance of environmental and cultural conservation in development. Consequently, a more contemporary approach was originated, the sustainable development approach. The major aim of sustainable development is to direct changes from development towards 'a more idealised and greener future' (Woodcock and France, 1994).

Although concern for the environment is a recent phenomenon, environmental decay is a centuries-old phenomenon. In 300 BC the Greek philosopher Plato complained about landscape changes in Attica (Janssen et al., 1995). Despite the high interest paid to the environment through the ages the term 'sustainable development' first came to prominence in 1980 with the publication of the World Conservation Union (IUCN, 1980). Subsequently the concept of sustainable development has been defined in many ways.

The most widely accepted definition of sustainable development has been given by the World Commission on Environment and Development in the Brundtland Report 'Our Common Future', describing it as:

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs ... (It is) a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations (WCED, 1987, p.43).

From the above definition it is evident that sustainable development, as with all the other development approaches, is a process of change. However, this approach emphasises the preservation of resources and respects the needs of future generations. Aronsson (1993) suggested sustainable development as "a matter of simultaneously preserving, the richness of species and the multiplicity in a natural area, and striving to develop a community in order to achieve a better life for the

people” (p.83). The definition pays particular attention to the satisfaction of human needs, in particular the essential needs of the world’s poor, such as sufficient food, clean water, shelter, clothing and jobs, as well as the normal human aspirations for those things which contribute to a better quality of life, such as higher standards of living, greater consumer choice, more security and increased vacation opportunities (WCED, 1987; Hunter and Green, 1995). Where these basic needs are not being met, sustainable development requires economic growth as a weapon in the fight against poverty and under-development. Only with economic growth, and under the conditions of increasing productive potential and ensuring equitable opportunities for all, is the capacity to ‘alleviate poverty’ and solve environmental threats successful (Janssen et al., 1995).

Tourism was once promoted as a clean and harmless economic activity; free of the environmental impacts attributed to other industries, such as manufacturing, mining, and intensive agriculture. However, the physical impact of feet, litter, congestion, over-building and the social impact of mass visitation on cultures and indigenous communities, has led tourism development to be questioned, and tourism to be considered as a ‘threat to the sustainability’ of many areas (Butler, 1992; Long, 1993; Burns and Holden, 1995). In effect the doctrine “tourism nurtures the goose that lays the golden egg” and the notion that “there is a symbiotic relationship between tourism and the environment” are questionable (Wheeller, 1994, p.652). Nevertheless, tourist destinations today depend upon clean physical surroundings, protected environments and the distinctive cultural patterns of local communities. Destinations that do not offer environmental quality are usually suffering a decline in quality and tourist use. Therefore, any economic activity, including tourism, should ensure a capacity for continuance.

Any profit from development should, if necessary, be used to improve ‘worn-down resources’ and to support ecological preservation for future generations (Porritt, 1995; Griffin and Boele, 1997). However, Owen et al. (1993) state that the concept of sustainable development need not to be in conflict with the notion of economic growth since “economic vitality is essential in order to combat poverty, improve the quality of life and drive the process of environmental

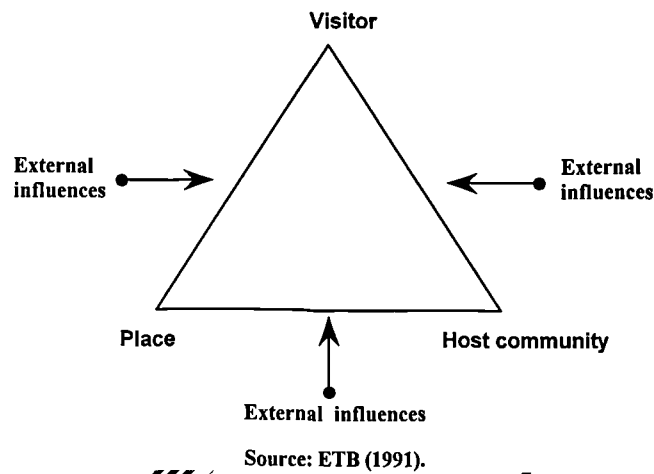
protection” (p.463). To achieve sustainability the benefits of tourism should be diffused through many communities, not concentrated on a narrow coastal strip or scenic valley (Lane, 1991, p.2). As a result, diffusion of development is a prerequisite of sustainability for the achievement of an equal spread of benefits to the whole population.

The above views for the goals of sustainable modern tourism and harmonious tourism development have been expressed by many Declarations, e.g. the Hague Declaration on Tourism, organised jointly by the Inter-Parliamentary Union and the World Tourism Organisation (WTO, 1989), the Manila Declaration of the WTO (1980), and the Joint Declaration of the WTO and UNEP (1982). Butler (1996) incorporated the principles expressed previously by international organisations and gave a comprehensive definition of sustainable tourism:

Tourism which is developed and maintained in an area (community, environment) in such a manner and at a such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well-being of other activities and processes (Butler, 1996, p.13).

Butler’s (1996) definition of sustainable tourism shares many features of the term sustainable development, such as that tourism should contribute to development and maintenance, while the type and scale used should ensure long-term viability of the development. The definition also recognises that tourism activity has human and physical impacts on destination areas that should not prohibit any other activities and processes. To these ends, ETB (1991) investigated sustainable tourism development, as a relationship that exists between the three components of the tourism-operating environment, namely, tourists, host community and destination environment (Figure 2.5). This relationship is both ‘complex and dynamic’, and can bring costs and benefits to the destination and the host community. Consequently, the long-term objective of sustainable tourism should be to maintain a ‘harmonious balance’ between these three components, whilst protecting the ‘resource base’.

Figure 2.5: Model for sustainable tourism



Different interpretations of sustainable tourism development have been offered according to the level of environmental concern given towards the tourism/environment system. These interpretations can be summarised into four major sustainable development positions (Hunter, 1997, pp.860-862):

1. Sustainable development through a 'tourism imperative'. Very weak interpretation heavily skewed towards the fostering, as well as the development of tourism, mainly concerned with satisfying the needs and desires of tourists and tourist operators.
2. Sustainable development through a 'product-led tourism'. A weak interpretation of sustainable development where the environmental side of tourism/environment system of destinations may well receive consideration, but is secondary to the primary need to develop new, and maintain existing, tourism products.
3. Sustainable development through 'environment-led tourism'. A strong position of sustainable development, where decisions are made which skew the tourism/environment system towards a paramount concern for the status of the environment.
4. Sustainable development through 'neotenous tourism'. A very strong position where sustainable development is predicated upon the belief that there are cases in which tourism should be actively and continuously discouraged on ecological grounds.

To sum up, sustainable development embodies the notion of limitations, analogous with the concept of a destination area's carrying capacity for tourism activity which refers to:

The maximum use of any site without causing negative effects on the resources, reducing visitor satisfaction, or exerting adverse impact upon the society, economy and culture of the area (WTO, 1993, p.23).

Many standards have been set to scientifically quantify optimum numbers of visitors in destination areas. However, it is difficult to generalise such standards from site to site, for the reason that there are too many variables to be considered for each site. Regulators, planners and managers should be able to define separate limits for each destination, if they want to achieve sustainable tourism development (de Boer, 1993). Furthermore, host communities should decide the number of tourists that the destination can attract without any disruption of a community's life or cultural and environmental degradation. Therefore, sustainable development strongly suggests that the involvement of the local community in the development process (the bottom up approach) is a prerequisite for sustainability (Godfrey, 1993).

2.3 IMPLEMENTATION OF DEVELOPMENT APPROACHES

For the implementation of the above development approaches, there are various options available to developers and planners wishing to expand the tourism industry of a region, which concern mainly the process and/or funding of development, and frequently refer to issues, such as:

- type of production (capital versus labour);
- degree of control and ownership (endogenous/local versus exogenous/foreign);
- scale (small versus large); and
- forms of tourism (alternative/soft/sustainable versus mass/hard/non-sustainable).

2.3.1 Capital versus labour-intensive development

Developers and planners very often have to make decisions on whether production should be based on capital-intensive or labour-intensive techniques. Many studies have highlighted the potential of tourism as a labour-intensive industry that requires limited capital investment to create employment (Mings, 1969; Brown, 1985; Culpan, 1987; Hall, 1994).

Many authors (Cleverdon, 1979; Bond and Ladman, 1980; Van Houts, 1983; Morrell, 1985; Lever, 1987; Lickorish, 1991) have investigated the cost of employment creation in the tourism industry compared to other economic sectors, and they suggest that it is substantially less. For example, an automobile factory requires heavy capital investment, but generates relatively fewer jobs than a similar amount of investment in tourism. Williams and Shaw (1991) disagree on the ground that the development of the tourism industry involves a complex of other industries, e.g. transport, retailing and associated manufacturing, to provide services, products, facilities and infrastructure. Bearing all these in mind, it is very difficult to estimate the real cost of creating a job in the tourism industry. Nevertheless, services, facilities and infrastructure produced by the 'complex of industries' and consumed by the tourism industry, are also available for consumption by the local population and they might be required for the local society's welfare, even if the tourism industry was not developed.

Agarwal et al. (2000) state that due to technological advances and the introduction of information technology, some tourism sectors have become more labour intensive. Some authors (e.g. Cleverdon, 1979; McCann, 1983; Kontogeorgopoulos, 1998) report that in the accommodation sector, the level of employment generated (as well as income) depends on the size of the establishment. In particular, small and medium-sized enterprises provide more employment per visitor with less capital than larger establishments. In contrast, international and larger hotels are more capital-intensive, and although they have a higher employment per bed ratio for the reason that they cater for most of the tourists' needs, they create few employment opportunities and little income

outside the hotel complex. On the other hand, different types of tourist, classified by the type of accommodation they use, have different economic effects on employment. In particular, Vaughan and Wilkes (1986) found that in Cumbria paying guests at farm/private houses created the most direct and indirect jobs, in total 23.2 per £100,000 visitor spending, whilst visitors staying at hotels and guesthouses where capital investments are higher, created 10.1 jobs per £100,000.

Since in developing countries, labour is abundant and capital is scarce, tourism can be used as a labour-intensive solution for economic development. Thus, governments should specify their preference for labour or capital-intensive development according to their present capability and future direction. If the major development aim of a country is to raise the present level of employment and consumption, as compared to future growth, more labour-intensive techniques should be favoured. On the other hand, if a country aims towards future growth in relation to present welfare, the more capital-intensive methods of production should be followed (Thirlwall, 1972). Alternatively, Cukor (1974) suggests that the use of capital-intensive and labour-intensive technologies together:

allows capabilities and production to be increased, without freezing capital in outdated technologies and in this way taxing the future, and it allows the more capital-intensive technologies to be introduced in the auxiliary operations at later stages, as capital becomes more abundant and labour more scarce (p.217).

2.3.2 Exogenous versus endogenous development

The dependency theory has highlighted the disastrous effects of exogenous tourism development on the economic and social structure of the host economies. In this sense, it is suggested that exogenous dependent development is more for the benefit of “capitalist-tourism generating countries and not self-generating for the host countries” (Khan, 1997, p.998). Consequently, exogenous development of a destination can be blamed for low multiplier effects, use of expatriate staff, and an increased degree of foreign dominance and control of the tourism sector.

To avoid these deficiencies the question arises as to whether destination development can be initiated and carried out from within or not (Keller, 1987). In many developing countries and islands, e.g. African countries and Caribbean islands, the answer appears to be negative because of the low rate of the local population's involvement in entrepreneurial activities, low production, insufficient capital and lack of skilled local employees. Thus, in cases where endogenous tourism development is not possible, it is recommended that governments should try to keep, where possible, the maximum control of development and attempt to increase the local community's involvement, e.g. by providing investment incentives to local entrepreneurs and introducing legislation that increases job opportunities for the local population. Alternatively, if the destination has the capability and financial resources for endogenous development, governments should encourage endogenous factors of development and try to exploit reasonable the available socio-cultural and environmental resources.

2.3.3 Small- versus large-scale development

Different scales of development have different impacts on the receiving destination and the host community. Rodenburg (1989, p.207) identified three scales in Bali: the 'large', the 'small' and the 'craft', and remarked that each scale of tourist exploitation meets economic development objectives to different degrees. He concluded that the development of small and craft tourism could bring more benefits to the island and the host population. Similarly, Long and Wall (1995) suggest that small-scale development may be the solution to some of the challenges faced by tourism developers, and proposed that the dynamic processes, which accompany small-scale tourism, must be understood and anticipated for the good of an area's development. Wheeler (1991) notes that small-scale developments are directed to cater for small numbers of tourists, and although they charge high prices and increase the profit of small tourist groups, they have few effects on income generation and employment. Besides, he suggests that even if all tourist destinations succeed in minimising tourists' numbers, this would not be a solution, since the effective demand of tourism

would outstrip supply. As a result, an action like this would be “a micro solution to a macro problem” (Wheeller, 1991, p.92).

To sum up, small-scale development puts the control of the tourism development process in the hands of the local community and has low impacts on the destination. As a result, it can be integrated more easily into the existing socio-cultural and economic environments of the community and therefore it can ensure the sustainable development of a destination. However, it creates less employment and income compared to large-scale development. Therefore, tourism planners and developers should specify their preferences for large- or small-scale development according to the types of tourist they want to attract, the capital available, and the level of desirable control and participation of the local community in the tourism process. They have to decide before the expansion of the tourism industry whether to build large-scale or small-scale enterprises, since after construction takes place, it will be difficult to scale down the industry (Wheeller, 1991, p.92).

2.3.4 Mass versus alternative tourism development

Alternative tourism and mass tourism can be considered ‘polar opposites’, with alternative tourism being considered as the ‘good’ and mass tourism as the ‘bad’ (Lane, 1989; Pearce, 1992; Lane, 1993). Poon (1993) asserts that mass tourism is an old form of tourism, and ‘new tourism’ is an environmentally-friendly, long-term paradigm reflecting the increasing interest in a destination’s finite resources and the desires of experienced travellers.

As many studies reveal (UNESCO, 1976; Romeril, 1985b; EC, 1993a; Vanhove, 1997), the majority of negative impacts derive from mass tourism, since mass tourism implies a concentration of high numbers of tourists, requires large-scale investments in facilities, infrastructure and services, and lower involvement of the local community in the development process (Dogart and Dogart, 1996; Faulkner, 1998). Since mass tourism is characterised by a concentration in time and space, and it is the least sensitive to local resources due to the intensive type of tourism

development and the behaviour of package tourists who are attracted by low-cost options, adverse negative impacts are more evident for the host destination (Pearce, 1989; Coccossis, 1996; Coccossis and Papatouris, 1996).

Consequently, because of the vagaries attributed to mass tourism, many countries have turned their policies towards encouraging the development of softer (alternative) forms of tourism 'as a new panacea of modern tourism' (Krippendorf, 1982; Hunter and Green, 1995). The reason for this is that alternative tourism has less destructive effects on the environment, society and culture of destination areas and their population, without any significant diminution of the positive economic benefits. Therefore, Weaver (1991) declares alternative tourism as a replacement for mass tourism, since it is considered "quality tourism (which) implies limited highly controlled development and selective marketing" (Inskip, 1987, p.124). Others argue that mass tourism is "inevitable, due to sheer tourist demand, and what is needed is a way to make the conventional more sustainable" (Godfrey, 1993, p.57).

From the above discussion it can be concluded that the alternative form provides more benefits to the local community. It indicates human and physical capacity limitations and contributes to the protection of the environment. Each community has its own capacity to absorb tourists in order to maximise possible benefits and minimise costs. Such outcomes can be better achieved through alternative tourism development directed towards the attraction of a limited number of 'high quality' tourists and community involvement in the development process, and away from mass tourism with high quantity of low quality tourists and high leakages resulting from foreign intervention.

In summary, although the above choices for the implementation of the development approaches look dichotomous, they can be combined. For example, countries can develop mass tourism in some areas and in others alternative, according to the desires of the community, the existing patterns of development and the resources of each area.

2.4 DEVELOPMENT OUTPUT EXPLANATIONS

The above development options when adopted by a government for a destination's tourism development, result in various outputs. What appears on the ground from a destination's tourism development can be divided into life cycle explanations, morphological output and the type of enclave or spread out development.

2.4.1 Life cycle models

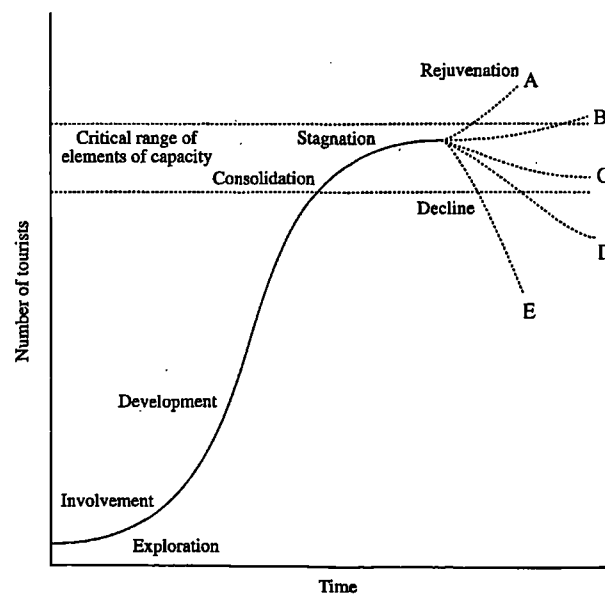
Many authors (Gilbert, 1939; Defert, 1954; Butler, 1980; Douglas, 1997; Russell and Faulkner, 1998) have attempted to illustrate the various stages of resort evolution through the concept of the life cycle. Before going further into the investigation of these descriptive stage-models, it is important to make clear that despite 'the diffusionist character' of these models, they are not presented in the section dealing with the diffusionist paradigm, because these models are mainly focused on the physical changes attributed to the tourism development of a destination over time, rather than the diffusion of ideas. Besides, since they have been applied only to small islands, cities and resorts, they do not correspond with the diffusionism paradigm that investigates diffusionism from a country level. Each country is made up of a mosaic of resorts with different stages of development and therefore the diffusion of ideas in each region can be at different levels. As a result, life cycle models are analysed in this subsection as descriptive of development output.

The concept of a resort or destination life cycle has been in the tourism literature for up to 60 years. In one of the earliest studies, Gilbert (1939) considered three stages of evolution, discovery, growth, and decline. Defert (1954) proposed a theoretical framework of development where a tourist resort can be born, grow old and die. In addition, Defert (1954) introduced the possibility that a resort may escape the decline stage, through rejuvenation, "it can take a new lease on life by adapting itself to tourist requirements" (Oppermann and Chon, 1997, p.56).

Christaller (1964) viewed tourism evolution as a development cycle, in which painters and artists initially discover a destination, which becomes fashionable, and then eventually tourists visit the destination on package tours. Plog (1973) attempted to explain the rise and fall of destinations by relating the popularity of tourist destinations over time to the personalities of different types of travellers. In his theory, Plog (1973) paid attention to the various psychological characteristics of travellers, arguing that as a resort develops, it appeals to different types of tourists from 'allocentrics', to 'mid-centrics', and to 'psychocentrics'. However, Plog (1973) was focused on the different types of tourists over time, and failed to clarify the identity of endogenous or exogenous patterns of development and the subsequent changes that each option has for host societies.

Based on previous work and the product life cycle concept, Butler (1980) introduced a general model of the hypothetical evolution of a tourist area. Butler's model (Figure 2.6) shows that the change in visitor arrivals to a tourist destination follows the S-shaped curve of the product life cycle and that resort areas undergo an evolutionary cycle of six stages. These stages are:

Figure 2.6: Hypothetical evolution of a tourist area



Source: Butler (1980).

Exploration: is characterised by small numbers of visitors discovering a destination, making individual, non-institutionalised travel arrangements. At this stage, the provided facilities are used and owned by locals and the numbers of tourists are restricted by lack of access and facilities.

Involvement: is characterised by greater and perhaps regular visitations. The community is beginning to adapt to the tourist trade (Johnson and Snepenger, 1993) and local entrepreneurs begin to provide new facilities and services for tourists. At this stage, advertising to attract tourists can be anticipated, pressures may be placed on the public sector to provide infrastructure, and seasonal patterns emerge.

Development: is marked by the development of additional tourism infrastructure (facilities, services and accommodation) and the appearance of well-defined and regular market areas, stimulated by extensive advertising to attract tourists. Local involvement and control of development declines rapidly and the tourist trade has now been taken over by outsiders. The numbers of tourists at peak periods far outweigh the size of the local population.

Consolidation. The rate of increase in the number of visitors declines, although total numbers are still on the rise and exceed permanent residents. "A well delineated business district has taken place, some of the older deteriorating facilities are perceived as second rate", and local efforts are made to extend the visitor season and market area (Agarwal, 1992, p.196). A major part of the local economy is tied to tourism, but native residents may find themselves excluded from major attractions. The community perceives some negative effects and antitourist sentiment may emerge.

Stagnation. This stage witnesses peak numbers of tourists as capacity levels are reached or exceeded, with attendant environmental, social and economic problems. Although the resort now has a well-established image, it is no longer in fashion and property turnover is high. Few new establishments open, facilities depreciate in value and local ownership of tourist facilities increases. The end of the cycle is marked by the post-stagnation phase which comprises a set of five options that a resort may follow (A, B, C, D and E). Decline may ensue, as shown in Figure 2.6, curve E, if the tourist market continues to wane and the resort is not able to compete with newer attractions. More tourist facilities disappear or are

converted for other use and local involvement in tourism is likely to increase, as the host population is able to buy facilities at lower prices. Alternatively, the resort may enter varying degrees of *rejuvenation*, as shown by curves A, B, C and D, through the development of an artificial attraction, by exploiting previously untapped resources, or through renovation. For example, Stansfield (1978) attempted to explain how tourist destinations are being influenced by technological advances, taking the example of Atlantic City, USA. In particular, he attributed the popularity of Atlantic City, during the later half of the last century, to the expansion of the railroad link with the major metropolitan centres. However, with the expansion of the road and air network, Atlantic City went into stagnation and decline, until the introduction of the casino offered rejuvenation.

Butler contended that most tourist destinations evolve in this pattern and cited Mexico as an example. Numerous other studies have suggested that Butler's life cycle model applies to various destinations, such as Lancaster County (Hovinen, 1981), Laurentians, Quebec (Lundgren, 1982), the Grand Isle resort of Louisiana (Meyer-Arendt, 1985), Malta (Oglethorpe, 1984), Vancouver Island (Nelson and Wall, 1986) and Minorca (Williams, 1993). Other researchers found Butler's model incapable of explaining the tourism evolution of some resorts and proposed modifications or alternative models that better fitted the development process of particular resorts. Haywood (1986) proposed a variety of possible tourist-area cycles of evolution that may occur as opposed to Butler's model. Similarly, Choy (1992) suggested that it is better to treat each destination individually, as a unique entity, and taking the case of Pacific island destinations, proposed that different approaches may be required from those which have been applied to other regions of the world.

Hovinen (1982), based on historical evidence, as well as assumptions concerning probable future developments, remarked that Butler's model does not explain the rise and potential fall of tourism in the case of Lancaster County, Pennsylvania and proposed a five-stage sequence, where Butler's consolidation and stagnation stages have been combined into a single stage, namely the maturity stage. Mitchell and Murphy (1991) identified as the major reason for this combination

the proximity of the county to major tourist generating areas, since, in Lancaster County, local planning authorities were focused on improving the quality of the environment and tourism experiences. Douglas (1997) applied Butler's model in Melanesia and proposed modification of the model in the definition of 'locals', since "in the pre-independence period, locals or islanders usually meant Europeans as opposed to Melanesians" (Douglas, 1997, p.17). Thus, he recommended that the reference by Butler to increased local participation must be redefined in order to take colonial societies into account.

Some researchers reported significant deviations from the resort model and concluded that destinations do not necessarily have to experience all the stages of Butler's model. Goncalves and Aguas (1997, p.13) highlighted that in most recently developed destinations; the first stage is being gradually reduced and sometimes even disappears. Specifically, Agarwal (1992) gives the example of Cancun, Mexico, where the exploration stage was non-existent. Getz (1992) in Niagara Falls suggested that 'maturity' would likely be a permanent condition for most cities and resort areas, because they will never allow tourism to die. Young (1983) proposed a model for the touristisation of traditional Maltese fishing-farming villages, where its stages are linked directly to Butler's model. Although Young (1983) in his model incorporated two pre-tourism stages (the early- and late-tradition), he recognised consolidation as the final stage of the resort's evolution and neglected to propose decline or any alternative for recovery.

Other researchers related Butler's resort cycle with other concepts. Debbage (1990) attempted to examine the interaction of external and internal factors at different stages of the resort cycle. He concluded that destinations controlled over time by the 'oligopolistic practices' of tourism suppliers (such as hotel, tour wholesaler, airline and travel agency sectors) may suffer decline in the number of tourist arrivals because these suppliers emphasise "competitive stability and market share, at the expense of innovation and diversification" (Debbage, 1990, p.525). Strapp (1988), in his study of the cottage resort of Wassage Beach, Ontario, described how a decline in tourist arrivals and in average length of stay, resulted in an expansion of second homes development and Keller (1987) related

the resort cycle with centre/periphery tourism. Cooper and Jackson (1989) revealed that the tourist area life cycle is more limited in its use as a forecasting or strategic management tool, although it “has a real contribution to make in terms of a descriptive tool for analysing the development of destinations and the evolution of their markets” (p.395).

Butler (1993a) completed further his evolutionary model and summed up some of the elements/characteristics of the resort cycle’s stages (Table 2.1). Based on earlier works by Cohen (1972) and Plog (1973), Butler (1993a) integrated in his model the tourist types to be expected at various stages, and examined variables for each stage, such as tourist numbers, facilities, contact between host community and tourists, change and type of control. However, he neglected to incorporate the community impacts which could be expected to be present at each stage of the resort cycle.

Table 2.1: Hypothetical cycle of tourist areas

Stages	Tourist	Facilities numbers	Contact	Change	Control	Tourist Type	
						(Plog, 1973)	(Cohen, 1972)
Exploration	Very small	Few	Low	None	Local	Allocentric	Drifter
Involvement	↓	↓ Local	↓	↓	↓ + Regional	↓ Near-allocentric	↓
Development	Maximum	↓ Non-local	↓ High Impersonal	↓ Major	↓ National/International	↓ Mid-centric	↓ Individual Mass
Consolidation	↓	↓ Peak	↓	↓	↓ All Levels	↓ Near-psychocentric	↓
Stagnation	↓	↓	↓	↓ Stable	↓	↓ Psychocentric	↓ Organised
Decline	Small	Local	High Mechanical	↓	Increasing Local	↓	Mass
Rejuvenation	↓	↓ New	↓	↓ Relics	↓ National/International	↓ Mid-centric	↓ Individual Mass
Conversion	High	↓	Low	Major	↓	↓	↓

Source: Butler (1993a).

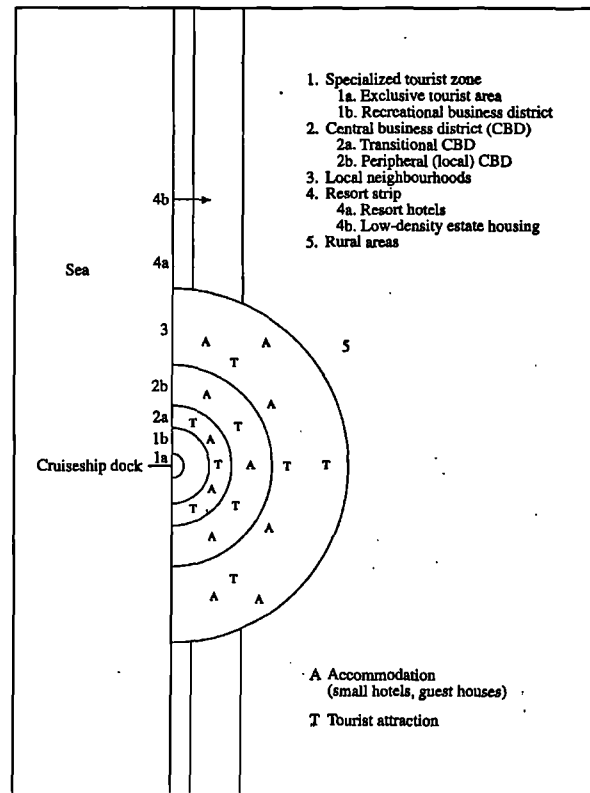
2.4.2 Morphological models

In the literature, many authors have explained the morphology of seaside resorts identifying several zones where tourism activity can take place. Wolfe (1952)

identified in Wassage Beach, Ontario, the zones of residential housing and accommodation, and a central honky-tonk zone. Barrett (1958) analysed 80 seaside resorts in the United Kingdom and proposed a model of theoretical accommodation zones, considered by Meyer-Arendt (1990, p.40) as the first conceptual morphological model of 'recreational' land use-zonation of seaside resorts. In Ocean City, New Jersey Stansfield (1969) provided differential aspects of the Recreational Business District (RBD) from the Central Business District (CBD) related to form, function and location. Lavery (1971) in his study of urban morphology of a typical British seaside resort identified components, such as the pier, the beach and the hotel zone, as well as the concentric zones of boarding houses and residential area more distant from the hotel zone. Moreover, he illustrated the RBD and the CBD in an adjoining form between the train station and the pier.

Weaver (1993), drawing on the Thunen-Weber model (Yokeno, 1968) and the T-shaped model of resort expansion developed a model of urban tourism space in small Caribbean islands. Focused on the patterns that characterise a major urban centre, typically a port city, during the pre-tourism and mature stages of development, Weaver (1993) concentrated his attention on characteristics, such as the location and changing numbers of hotels, guesthouses and other forms of accommodation, facilities and services (Figure 2.7). He identified five zones of intensive tourism activity, the specialised tourist zone, the CBD, the local neighbourhoods, the resort strip, and the rural areas, all of which apart from the resort strip zone, form a series of concentric semi-circles around the cruiseship dock and "denote a decreasing intensity of tourism penetration into the urban sphere" (Oppermann and Chon, 1997, p.63). As Weaver (1993) suggests intensive tourism activity in islands occurs only on the coast and in a few rural areas, located away from the coast.

Figure 2.7: Model of urban tourism space



Source: Weaver (1993).

Smith (1992a), based on the Nusa Dua project in Bali and past unplanned resort developments identified in his previous study (Smith, 1992b), proposed a hypothetical model of integrated resort development similar to Weaver's (1993) model. This model has a planned core surrounded by unplanned resort functions, hotels, guesthouses, restaurants, businesses and residential areas (Smith, 1992a, p.216). Along the same lines, Meyer-Arendt (1990) developed a model of the morphologic evolution of a typical Gulf of Mexico seaside resort. He identified as the core of tourism development the RBD which becomes extended from both directions to follow demand. Outside the RBD, Meyer-Arendt (1990) suggested that summer homes, condominiums and high-rise resort hotels are found.

All the above models are based on the T-shaped model of resort expansion and have in common the belief of transformation of a resort into urban space, through the ribbon type of development where the beachfront extends, as well as hotels and other tourist facilities being created to satisfy tourist demand.

2.4.3 Enclave versus spread development

In some regions of the world, where tourism is viewed as a problem or cause of social change, in order to avoid or limit contact between residents and tourists, authorities promote tourist ghettos, or in other words enclaves. As defined by Goonatilake (1978) enclaves are “islands of affluence within the country, walled in and separate from the rest of the population” (p.7). In enclaves, tourists have the choice to either remain within the cluster, or to take day tours to attractions outside the area. Thus, the only contact that exists between tourists and residents is through the local staff employed, if they are not imported. Consequently, corrupting foreign influences, such as drinking, prostitution, begging, gambling, and contamination of the host religion are eliminated. Additionally, the “containment of tourist facilities as integrated resorts in contrast to allowing dispersion of development throughout the region” is considered as a development policy appropriate for environmental reasons, since concentration of infrastructure gives “the opportunity for better controls and a higher level of environmental quality” (Inskeep, 1987, p.122).

Unfortunately, although enclave tourism might better protect the society and the environment, it promotes few economic linkages at the local and regional level, compared to the spread type of development (Britton, 1982; Freitag, 1994). The specific infrastructure is not intended to directly benefit the resident-indigenous community and any ‘spill-over’ effect is purely gratuitous (Jenkins, 1982, p.239). Therefore, in most countries authorities view such developments as “a missed opportunity for much needed employment and further alienation of resources for use as imperialistic playthings” (Butler, 1990, p.41), and prefer the spread type of development.

2.5 DEVELOPMENT OUTCOMES

Many outcomes emerge for receiving destinations from the implementation of tourism development. To obtain a full understanding of development outcomes from tourism it is considered convenient to make them more distinct by

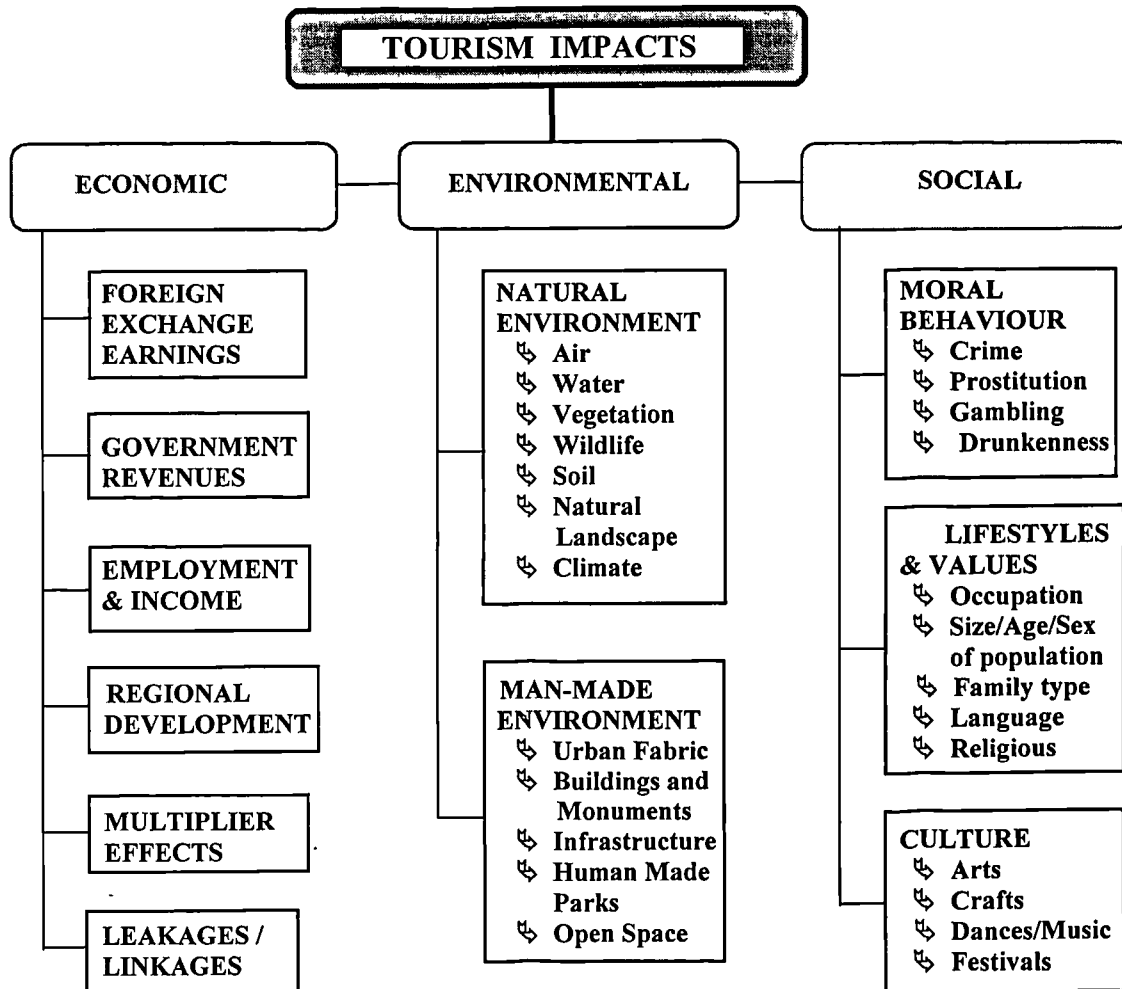
introducing a framework to be followed in this survey. In this framework, tourism outcomes, or in other words impacts, are grouped into three categories: economic, environmental and social (Figure 2.8). Within each of these categories individual impacts can be identified.

(I). The main economic impacts of tourism include: foreign exchange earnings, contribution to government revenues, generation of employment and income, regional distribution of development, leakage of money out of the local economy and linkage of the tourism sector with other economic sectors.

(II). The environmental impacts include: impacts on features of the natural environment, such as air, water, vegetation, wildlife, soil, and natural landscape, and on features of the built environment, such as urban fabric, buildings and monuments, infrastructure, human made parks, and elements of open spaces and townscape.

(III). The social impacts include: changes in moral behaviour, such as prostitution, gambling, crime, begging and drunkenness; disruption or transformation of lifestyles and values; changes in occupation, size, age and sex of population, modification of family size, loss or transformation of language and religious. Due to the close interrelationship of the cultural impacts with the social they are examined together. Cultural impacts include: the influences in arts, crafts, festivals, dances and music.

Figure 2.8: Tourism impacts



Source: Author.

Based on the impact sub-categories shown in Figure 2.8, Figure 2.9 summarises some of the most salient impact studies found in the tourism literature. For each impact sub-category, several authors are identified, but it should be acknowledged that overlap between studies is common, with many studies covering more than one sub-category.

Figure 2.9: Key impacts of tourism identified by various researchers

IMPACT CATEGORIES	WRITERS
Economic	
<i>Foreign Exchange Earnings</i>	Airey (1978); Baretje (1982); Hughes (1983); Singh (1984); Anastasopoulos (1989); Buckley and Geyikdagi (1993); Sinclair and Bote Gomez (1996); Sinclair (1998).
<i>Government Revenues</i>	Mathieson and Wall (1982); Edgell (1990); Katsouris (1993); Gould (1994); WTTC (1995); Jenkins (1997).
<i>Employment and Income</i>	Vaughan and Long (1982); Vaughan (1986); Vaughan and Wilkes (1986); Lever (1987); Ball (1988); Williams and Shaw (1988); Ankomah (1991); Iakovidou (1991); Choy (1995); Cukier (1996); Kontogeorgopoulos (1998).
<i>Regional Development</i>	Brownrigg and Greig (1976); Duffield (1977); Loukissas (1977); Braden and Wiener (1980); Loukissas (1982); Komilis (1994); Lankford (1994); Tosun and Jenkins (1996).
<i>Multiplier Effects</i>	Archer (1982); Liu et al. (1984); Ruiz (1985); Jackson (1986); Archer and Fletcher (1988); Oosterhaven and van Der Knijff (1988); Wanhill (1988); Archer and Fletcher (1990); Khan et al. (1990); Archer (1995).
<i>Leakages/Linkages</i>	Seward and Spinard (1982); Belisle (1983); Richards (1983); Teye (1987); Archer (1988); Sinclair (1991); Taylor et al. (1991); Smith and Jenner (1992); Cox et al. (1995); Brohman (1996); Telfer and Wall (1996); Kontogeorgopoulos (1998).
Environmental	
<i>Natural Environment</i>	Cohen (1978); Romeril (1985a); McGoodwin (1986); Agarwal and Biswas (1989); Prunier et al. (1993); Kavallinis and Pizam (1994); Buhalis and Fletcher (1995); Doggart and Doggart (1996).
<i>Man-made environment</i>	Romeril (1985b); Liu et al. (1987); ETB (1991); Gratton and van der Straaten (1992); EC (1993a); Green and Hunter (1993); Sharpley (1994).
Social	
<i>Moral Behaviour</i>	Akauola et al. (1980); Cohen (1982a); Pizam et al. (1982); Pizam (1985); Smith (1988); Elliot and Ryan (1993); Kelly (1993); Zhang (1994); Hall (1995); Prideaux (1995); Lankford (1996); Pizam and Mansfeld (1996); Muroi and Sasaki (1997); de Albuquerque and McElroy (1999); Dimanche and Lepetic (1999).
<i>Life Styles and Values</i>	Collins (1978); Stott (1978); Getz (1986); Ahmed (1987); Cohen (1988); Kousis (1989); Kinnaird and Hall (1994); Harvey et al. (1995); Stonich et al., (1995); Dana (1999).
<i>Culture</i>	De Kadt (1979); Cohen (1982b); Nunez (1989); Browne (1993); McNulty (1993); Cralk (1995); Burns and Holden (1995); Boissevain (1996); Richards (1996).

Source: Author.

2.5.1 Economic impacts of tourism

2.5.1.1 The effects of tourism on the balance of payments, employment and income

The effects of tourism on the balance of payments are probably one of the most widely publicised economic considerations (Airey, 1978). The positive effects of tourism expenditure have encouraged many developing countries and islands to actively promote tourism in an attempt to increase foreign exchange earnings and improve the invisible component of the balance of payments (Wood, 1979; Bhatia, 1982; Anastasopoulos, 1989; Long, 1991; Williams and Shaw, 1991).

In addition to tourism's potential effect on the balance of payments, the major argument for supporting tourism is its favourable impact on employment generation (UNESCO, 1976; Vaughan and Long, 1982; McCann, 1983; Shaw and Williams, 1988; Choy, 1995). Large-scale unemployment in many countries and the acknowledgement of the tourism industry as a labour-intensive industry, "in an age of great technological advancement and declining relative demand for labour" (Brown, 1985, p.8), have led governments and policy makers to assess the role of tourism as an employment generator in a new light (Mings, 1969; Airey, 1983; Culpan, 1987; Ioannides, 1995a; Hall, 2000).

The significance of travel and tourism for employment creation can be realised from the WTTC (2000) report which estimates that travel and tourism created in 1999 200 million jobs world-wide and today is the world's largest generator for jobs, with a forecast of 5.5 million new jobs per year until 2010. As many authors recognise (Archer, 1973; Henderson, 1975; Vaughan, 1986; Vaughan and Wilkes, 1986; Gould, 1994) jobs created directly in tourism enterprises, such as hotels, travel agencies and restaurants generate secondary employment opportunities in other sectors of the economy, such as construction, manufacturing, retailing and services. For example, a study in Tunisia estimated that every extra hotel bed creates approximately 2.5 to three jobs in direct employment and two additional jobs in indirect employment (Smaoui, 1979). McCann (1983) and Paajanen (1999) point out that the level of indirect employment depends on the interrelationship between the various sectors of the economy. He notes that in a simple economy few inter-industry linkages exist, since many of the inputs required by businesses providing goods and services to tourists will have to be imported and as a result indirect employment effects are few. In more complex economies, tourism enterprises are able to purchase many of their supplies locally and therefore indirect effects are larger.

Many studies have found an increased welfare of residents because of employment in tourism. Cukier-Snow and Wall (1993) reported that as a consequence of tourism development, residents in Bali have one of the highest average income levels in Indonesia with more cars per capita in Denpasar, the

capital of Bali, than in Jakarta, the national capital. Additionally, tourism creates multiple employment, whereby an individual is employed in more than one occupation (Papaioannou, 1987; Cukier-Snow and Wall, 1993). Beyond the development of employment in the formal sector, tourism is characterised by subsequent widespread employment creation in the informal sector (MacKay, 1987; Nuscheler, 1991; Kermath and Thomas, 1992, Woodcock and France, 1994).

Another aspect of tourism employment highlights a relationship of family ownership with the scale of enterprises. The smaller the size of the establishment, the more likely it is to be family-run and vice versa. As Kontogeorgopoulos (1998, p.337) found in Samui, Thailand, small and medium sized accommodation establishments require higher numbers of family ownership/management and employees, and since most of them are locally-based, they require a higher proportion of local labour compared to the larger ones.

Very often, researchers (de Kadt, 1979; Haralambopoulos and Pizam, 1996) blame tourism for creating labour shortages because of a tendency to concentrate tourist facilities in certain places. Thus, tourism can generate employment for migrants/immigrants and expatriate labour (Tsartas, 1989; Cukier-Snow and Wall, 1993; Cukier, 1996), sometimes working for lower wages than the local unemployed population (Lever, 1987; Lazaridis and Wickens, 1999). Moreover, it is evident that in developing countries foreigners or non-locals usually hold managerial jobs.

Tourism jobs have been criticised for being largely seasonal, part-time, low-paid, and low-status or a combination of all four (Diammond, 1977; Mathieson and Wall, 1982; Goodall, 1987; Johnson and Thomas, 1990; Pigram, 1990; Cukier and Wall, 1995; Sinclair, 1998; Cukier, 1999). Tourism has been characterised in many regions and countries by a single main season and a period of the year when hotels and other facilities remain closed or operate at reduced potential (Ball, 1988; Vaughan et al., 2000). This seasonal nature of tourism creates fluctuations in the levels of local and regional employment (Tsartas, 1989; Vaughan et al.,

2000), and workers involved in tourism usually have to find other employment or even remain unemployed during the off-season (Baron, 1975; Spartidis, 1976; Hawkes, 1986; Vaughan et al., 2000). Part-time employment is also widespread in the tourism industry. Bull and Church (1994) indicate that 64 percent of the employees in the UK hotel and catering industry in 1989 were part-time employees. Part-time employment may be entirely inadequate in the case that employees do not earn a satisfactory living (Vaughan and Long, 1982; Vaughan et al., 2000). Conversely, in cases where employment in tourism provides an additional income, part-time employment is beneficial for employees.

The tourism sector has been condemned for low wages. For instance, average earnings in the UK hotel and catering industry for a basic working week were around 66 percent of the average for all UK occupations in 1987 (Beioley et al., 1990). Nevertheless, it can be argued that the value of fringe benefits, such as accommodation or meals, and monetary benefits, such as tips are not being taken into account (Johnson, 1983; Vaughan et al., 2000). Other studies (Lovel and Feuerstein, 1992; Cukier, 1999) have commented that tourism jobs are often better paid than any alternatives, and therefore the tourism industry attracts labour from other sectors. However, wages paid often depend on the size of the enterprises. For example, Kontogeorgopoulos (1998) found that larger hotels in Samui tend to pay higher wages than smaller ones. Since most of the jobs created by the tourism industry do not require a high skill level, some critics have labelled tourism as a 'candyfloss industry' (Williams and Shaw, 1988). As a result, Lovel and Feuerstein (1992) commented that most tourism jobs in New Caledonia, Fiji and Hawaii are low-status, in positions, such as waiters, maids and clerks.

2.5.1.2 Revenue for the government

Governments incur certain costs for the development of tourism. They spend high amounts of money annually on maintaining a National Tourism Organisation (NTO) for the promotion of the country as a tourism destination, they own and manage much of the infrastructure upon which tourism depends and provide a wide range of services for the development of tourism (Davidson and Maitland,

1997). Many of the costs borne by governments for the tourism industry, such as police and fire protection, hospitals, sewage and refuse disposal, water supply, electrical power and communication, lighting, airports, harbours, railways, road network, and development and maintenance of national assets, also serve the needs of the locals.

For the cost of investment in the tourism expansion, governments expect a return on their investments and perhaps a surplus (Hughes, 1983; Lickorish, 1991). Numerous ways exist in which government revenue can be raised through tourism, depending upon the fiscal and legal structure of each country (Attanayake et al., 1983). In particular, governments receive revenues from tourism through airport taxes, hotel taxes, VAT on goods and services, taxes on earned income of employees in the tourist sector, and other kinds of levies. WTTC (1995) reports that world travel and tourism contributed, in 1995, approximately US\$ 655.3 billion in taxes. By 2005, the industry's total tax contribution is expected to reach US\$ 1,405 billion, 11.6 percent of the total. However, there are cases where taxes have negative results. For example, Mak and Nishimura (1979) in Hawaii found that a special hotel room tax, although it generated additional tax revenue to the local government, it reduced private sector income. Therefore, attention should be paid to the consequences of each tax.

2.5.1.3 Regional development

One of the most important problems for many governments is the achievement of equal tourism development throughout the country. Evidence in most countries shows that development usually exists in the big cities and the problem is how to diffuse economic development to the small towns and villages. Schumacher (1974, pp.146-147) has formulated the following propositions to achieve this objective:

- workplaces should be created in areas where people live, and not primarily in metropolitan areas into which they tend to migrate;

- these workplaces must be, on average, cheap enough so that they can be created in large numbers without calling for an unattainable level of capital formation and imports;
- the production methods employed must be relatively simple, so that the demand for high skills is minimised; and
- production should be mainly from local materials.

Although Schumacher (1974) provided the aforementioned propositions 26 years ago, they are still valid. All the above propositions of Schumacher (1974) can be implemented via well-planned tourism development. Tourism, by its nature, tends to distribute development away from the industrial centres towards under-developed regions. With lower capital investments (compared to other industries), tourism creates numerous unskilled employment opportunities in the less-developed regions of a country where opportunities for other types of development are limited. The introduction of tourism activities into such areas can also generate consumption of local production and can have proportionately a much greater effect on the welfare of residents than the same activities might have on people living in the more developed parts of the same country (Spartidis, 1976; Cleverdon, 1979; Oppermann and Chon, 1997).

Since tourism is very often developed in regions where other economic activities are limited, it may have the effect of equalising employment disparities and the development of tourism may entirely change the situation in a regional labour market. Numerous studies have attempted to show that tourism can not only stimulate regional development, but can also produce regional imbalances (Bryden, 1973; de Kadt, 1979; Komilis, 1994). Tourism is very often confined to a few attractive regions which benefit significantly from all kind of investments and tourist expenditures, while other regions tend to be more or less neglected (Peppelenbosch and Tempelman, 1989; Oppermann and Chon, 1997). In addition, tourism very often brings weak inter-sectoral links (backward linkages), showing the inability of the tourism industry to play a leading or mobilising role in regional development, as the section below highlights.

2.5.1.4 Leakages/Linkages

During the initial stage of tourism development, tourism offers the opportunity for the use of locally produced building materials and equipment in the construction of tourist facilities and the manufacturing of furnishings for the supply of tourism enterprises. Later tourist demand has the potential to stimulate and strengthen local agriculture and fishing and those sectors associated with them (Cox et al., 1995; Telfer and Wall, 1996), as well as support other sectors, such as retailing, manufacturing, wholesaling, transport, handicrafts and services.

Nevertheless, when a country has to import many of the commodities needed to meet tourists' consumption, locally-earned income flows to producers outside the region to purchase these imports for tourism consumption (Braden and Wiener, 1980; Ankomah, 1991; Smith and Jenner, 1992; Kontogeorgopoulos, 1998). This leakage depends on the ability of the destination economy to supply the goods and services that the tourist industry demands (Archer, 1988; Gould, 1994). Jenkins (1994, p.4) remarks that the growing volume of leakages out of the tourism sector often reflects the state of under-development of a particular country or island and its inability to take advantage of inter-sectoral linkages to provide the inputs necessary to the tourism sector. This is evident in the Third World countries that have to import many goods and services, in order to meet tourist demand, and thus financial returns from tourist expenditure are limited (Rajjote, 1987; Teye, 1987; Kontogeorgopoulos, 1998).

Large economies are able to supply the tourism industry with most of the goods and services required and as a result higher inter-industrial linkages exist. Loukissas (1982), in a study of tourism in the Greek islands, found that the greatest benefits from tourism development have been secured in the larger island economies which are more able to develop local supplier linkages. Apart from the size of the economy, leakage is also affected by the structure of ownership and control in the tourism industry. There is evidence to suggest that the larger the hotel the larger the propensity to import, primarily because larger hotels are more likely to be foreign-owned and because they can find cheaper products from other

regions/countries. Moreover, in countries where migrant workers do not permanently reside in the area, a proportion of wages and salaries fail to generate further economic activity and leaks out of the system, as migrant workers usually remit large percentages of their income abroad (Archer and Fletcher, 1988; Komilis, 1994; Boss, 1995).

Leakage also exists when foreign companies repatriate their profits, when governments exempt customs duties or taxes on foreign-owned companies as investment incentives, and when governments spend foreign exchange abroad for services, such as publicity, promotion, and personnel training. In addition, in cases where home-produced goods are more expensive than imported ones, the leakages are higher, as it would be uneconomical for a buyer to give preference to locally produced goods (Schumacher, 1974). Additionally, there are cases where the native population demands foreign goods and services as a result of contact with and observation of tourists (Firat, 1989; Gould, 1994).

2.5.2 Environmental impacts of tourism

Over forty years ago, the eminent French political philosopher, Bertrand de Jouvenel (1958, cited in Schumacher, 1974) characterised the 'western man' as follows:

He tends to count nothing as an expenditure, other than human effort; he does not seem to mind how much mineral water he wastes and, far worse, how much living matter he destroys. He does not seem to realise at all that human life is a dependent part of an ecosystem of many different forms of life. As the world is ruled from towns where men are cut off from any form of life other than human, the feeling of belonging to an ecosystem is not revived. This results in a harsh and improvident treatment of things upon which we ultimately depend, such as water and trees (p.49).

Although Bertrand de Jouvenel (1958) provided the description of the western man more than 40 years ago, the characteristics he identified are still relevant. As tourism is often developed in fragile and vulnerable environments, such as small islands, coastal and marine areas, mountainous and alpine lands, and historical

and archaeological sites, the aforementioned characteristics of the western man, as tourist, can result in serious environmental problems, to the extent that Plog (1973) stated that through tourism, “destination areas carry with them the potential seeds of their own destruction” (p.16). Buhalis and Fletcher (1995) attribute the major environmental problems of tourism to the fact that “the environment (at least in the short term) is a zero-priced public good, and as with any zero-priced good, is subject to excess demand and over-utilisation” (p.4).

In previous decades, developers and governments often neglected the importance of environmental issues. More recently they have realised that tourism and the environment are inseparable and attempts are made to ensure environmental preservation (Davidson, 1989; Archer and Cooper, 1998). However, with the expansion of tourism the threats to environmental resources have become more serious. Modern tourists are becoming more discerning, seeking a high-quality physical and cultural environments and are willing to pay a premium price (Romeril, 1985a; Inskip, 1987; Hunter and Green, 1995).

Tourism can be an important means to encourage and help to pay for conservation of the man-made environment. Historic sites, monuments and buildings can be major tourist attractions and tourism itself frequently stimulates their protection, conservation, and renovation for the benefit of the local community and beyond (Buhalis and Fletcher, 1995; Hunter and Green, 1995). Many existing attractions would never have survived without tourists’ contributions through admission fees. With tourist demand, buildings and sites have been completely renovated and transformed into new tourist facilities.

Similarly, the natural environment has benefited from tourism in a variety of ways. Money generated by tourism can contribute to the cleaning up of the overall environment through the control of air, water, litter, and other environmental aesthetics. Tourists attracted by natural resources pay for the development and operation of national parks and the conservation of natural areas. Many countries, e.g. Kenya and Rwanda, have established huge national parks for the conservation of wildlife (Davidson, 1989; Lindberg, 1989; Russel et al., 1996). Entry fees and

levies by national parks, museums, zoos and archaeological sites are received from governments, to cover the expenses of their preservation.

Many researchers have acknowledged the positive impacts of tourism on the man-made environment. Travis (1982); Kendal and Var (1984); Holder (1988); Papadopoulos (1988) and Archer and Cooper (1998) report the following positive impacts which enhance residents' living: more and better leisure, recreational, shopping and health facilities, greater recognition of the importance of saving historical buildings, improved communication systems and transportation.

Nevertheless, the need for land for the construction of hotels, leisure complexes and the development of infrastructure has led to visual impacts, as well as the destruction of the natural environment. There are cases where, because of tourism development, local people are barred from access to the natural facilities of their own country (Archer and Cooper, 1998). For example, in the Mediterranean because many hotels acquire the coastline, access to the sea is very often denied to the public. In addition, the existing water and sewage systems and local roads are often unable to cope with intense demand.

Another major impact of tourism occurs during the tourist's journeys to and from their destinations and during their stay. The extent of the environmental impact depends on the type of transport used. Even cycling, although it is considered an environmental friendly mode of transport, can damage environmentally sensitive areas. Other tourist vehicles, such as buses, cars and motorcycles can cause air pollution, and damage built structures. For example, in order to prevent erosion from air pollution, tourist coaches are not permitted close to the top of Acropolis Hill, Athens (Smith and Jenner, 1989).

The requirements of modern tourism for energy and water are high. Natural resources are used to supply tourists with heat, air-conditioning, power, food, drinking water, laundry and sanitation facilities. For example, Jackson (1984) notes that per capita, tourist electricity consumption in the Caribbean is much higher than residents' consumption. As a result, electricity blackouts are

aggravated by high tourist demands during the tourist season which many Western visitors regard as intolerable. Similar problems occur with the water supply, since tourists consume more water than residents. Consequently, if the water and electricity supply to residential areas is reduced because of high tourism consumption, this can lead to negative feelings if not conflicts.

The provision of facilities for tourists can also affect the environment. For example, the construction of golf courses may result in the removal of natural forests, the excessive use of valuable water supplies, and the movement of local people from their own land and its resources (Phillips, 1994; Middleton and Hawkins, 1998). Water disposal and litter are also major problems. Many waterfront hotels have contaminated their own swimming, boating and fishing waters with untreated sewage. Untreated sewage and petrol spillage from boats combine to harm aquatic plants and wildlife, as well as the tourists who swim in the waters. Pollution of the sea can influence tourism demand. For example, an announcement of sea contamination on Long Beach of Boracay Island, the Philippines, by the Department of Environment and Natural Resources, resulted in a 70 percent decline in tourist arrivals (Trousedale, 1999).

Overuse of the natural environment by tourism can disrupt and even destroy the ecological balance (Hunter and Green, 1995). Plants and animals can be removed or even killed as result of uncontrolled tourism development. In addition, tourist demand for special wildlife souvenirs has fed the hunting and poaching trades. For example, in many African countries, wild plant and animal species are disappearing and in the Mediterranean, marine animals are killed for the manufacture of gifts and souvenirs for tourism consumption. In Zakynthos, Greece, the construction of holiday accommodation along the coast has posed a serious threat to the breeding of the endangered turtle *caretta caretta* (Marinos, 1983; Prunier et al., 1993).

Despite the negative impacts of tourism development on the environment, it is claimed that damage caused by tourists and tourism development is not as harmful as the import of industrial development (WTO, 1983). For instance, Archer (1985)

revealed that water contamination is caused not only by the discharge of inadequately treated sewage but also by industrial waste, sedimentation from agricultural erosion and contamination from fertilisers and pesticides. Similarly, Mathieson and Wall (1982) and Berno (1999) pointed out that tourism does not involve the movement of large quantities of raw materials and manufactured goods, or the transformation of one into the other, but involves only the movement of people and consequently it pollutes the environment less than most other industries.

2.5.3 Social impacts of tourism

Nowadays, governments have realised that by opening their countries to tourists they are offering not only natural and man-made features of their environment, in exchange for income and employment, but also the culture and hospitality of their people. When international tourism is of any significance in a country, it becomes an agent of change that brings irreversible consequences for social structure, values and traditions (Pizam et al., 1982; Murphy, 1985; Jenkins, 1997). As a consequence, the majority of social impact studies concentrate on the host-guest relationship (Gould, 1994). Kinnaird and Hall (1996) remark:

Many of the social and economic processes are a result of the movement of large numbers of people from one place to another, carrying with them different sets of motivations, preconceptions and desires to 'find something new'. Host/guest relations involve at least some exchange of social and economic values. The extent to which these exchanges take place and their degree of symmetry depends on the nature and context of interaction between host and guest (p.98).

Pearce et al. (1996) identified a great diversity of actors involved in host-guest relations. De Kadt (1979, p.50) and Gould (1994) paid attention to the encounters between residents-tourists that occur:

- where the tourist is purchasing some good or service from the host;
- where the tourist and host find themselves side by side, for example, on a sandy beach or at a night-club performance; and

- where the two parties come face to face with the object of exchanging information and ideas.

Few authors highlight the positive aspects of tourist-host interactions. Mings (1988) and Var and Ap (1998) present tourism as an important mechanism for improved international understanding between hosts and tourists. For example, residents of Marmaris, Turkey, argue that meeting tourists from all over the world is a valuable educational experience and that tourists contribute toward international peace and understanding (Var et al., 1985; Var and Ap, 1998). Kaiser and Helber (1978); Mings (1988) and Tar and Ap (1998) argue that tourism can contribute to the development of understanding among people, as well as raising living standards better than any other economic force. In addition, tourism helps to build a sense of national identity (Boissevain, 1996), through incidents where tourists endeavour to adopt local ways of life or learn something of the native language which can lead to greater mutual respect between tourist and host (Phillips, 1994). In contrast, misunderstandings and conflicts may arise between the host community and tourists because of differences in languages religious values, behavioural patterns and customs (WTO, 1993).

The tourism industry has been favoured for its potential for employment generation and often puts an end to depopulation and brings spectacular demographic revival (Kousis, 1989; Tsartas, 1989; Haralambopoulos and Pizam, 1996). As Boissevain (1979) and Vaughan et al. (2000) reported tourism development creates jobs for residents, eliminating the migration of the young community in the search for jobs.

New employment opportunities in the tourist sector may have distorting effects on existing social and demographic structures. Glamour employment in the tourism sector attracts mostly young people, who leave their agricultural occupations in the rural areas to migrate to the tourist regions as happened in Seychelles, where fishing and agricultural production declined substantially because of a lack of labour which had moved to the tourism industry (Peppelenbosch and Tempelman, 1989). Additionally, tourism employment for many young men removed power

from the traditional older men in their families and influenced the political structure and status system of the community (Harrison, 1992). Through employment opportunities, economic autonomy was created for women as they have the ability to control their own family environment (Kousis, 1989; Kinnaird et al., 1994).

Many studies have stated that tourism is a vehicle for injecting enthusiasm and an economic boost into cultural activities, such as dances, music and theatre, and encourages the preservation and sometimes revitalisation of handicrafts, native art, folklore, local fairs and festivals (Brownrigg and Greig, 1976; Ahmed, 1987; Cater, 1987; Long, 1991; Gould, 1994). For example, in Malta tourism has revived dying indigenous arts and crafts, such as lace making and filigree (Boissevain, 1977).

On the other hand, the literature expresses the view that tourism is responsible for cultural pollution with many tourists concerned more about the exotic rather than the authentic. For many tourists, the lack of authenticity of cultural events does not matter. Consequently host communities, in order to provide the maximum possible variety in entertainment, remodel their cultural activities (Prasad, 1987). Tourist demand for insights into local culture may be unimportant for some residents as long as tourists are paying. For example, in Torremolinos, the old, authentic culture has been overtaken by British-style pubs and fish and chip shops (Phillips, 1994).

Where there is a large number of tourists, human relations become commercialised (Andronicos, 1979; Ahmed, 1987; Berno, 1999). Therefore, tourism is blamed for the erosion of hospitality and friendliness of the locals, as reported in Vietnam by Wheat (1993). Overcrowding by tourists irritates residents and makes them resentful of tourism. In Malta, tourists in search of authentic culture cross 'thresholds and boundaries' and penetrate private domestic places causing disturbance to the locals (Boissevain, 1996). As tourism grows, the supply of services and goods is not sufficient to meet the increased demand and very often a disparity exists between the spending power of tourists and of host

population (Pearce, 1989). Consequently, prices of land, goods and services increase in tourist areas and residents may have to pay higher prices.

Mass tourism is a force which 'destroys uncomprehendingly and unintentionally' not only cultural values but also social customs (Turner and Ash, 1975; Gould, 1994). Tourists ostentatious consumption and behaviour patterns, lead to local residents, particularly younger people, adopting aspects of tourist behaviour and lifestyles; the so-called 'demonstration effect' (McElroy and de Albuquerque, 1986; Peppelenbosch and Tempelman, 1989; Lockhart, 1997a). Greenwood (1978) notes that young Basques have come to adopt a style of life similar to that of the middle-class tourists they have seen. However, Davidson and Maitland (1997) claim that it is notoriously difficult to disentangle the demonstration effect of tourism from other forces of change, such as advertising and mass media.

Additional negative impacts of tourism on society include crime (Elliot and Ryan, 1993; Kelly, 1993; Prideaux, 1995; Lankford, 1996; Pizam and Mansfeld, 1996; Dimanche and Lepetic, 1999); drunkenness (Smith 1988); narcotics (Smith 1988); sexual immorality (Smith, 1992c; Wickens, 1997); prostitution (Singh et al., 1989; Zhang, 1994; Hall, 1995; Muroi and Sasaki, 1997) and gambling (Perdue et al., 1995).

2.6 CONCLUSION

This chapter has discussed the major approaches with respect to their implication in tourism destinations development. Tourism is an alternative to other forms of economic development used as a means to develop the peripheral regions of the world. At first sight, the four development approaches (*laissez-faire*, diffusionist, dependency and sustainability) are regarded as somewhat mutually exclusive paradigms. However, all approaches embody the view that tourism as an economic activity implies the notion of transition from one state to another.

Among the four approaches sustainability can be considered the most distinct, mostly in the perspective it perceives implementation of development, e.g. scale,

degree of control and ownership, type of tourists and involvement of the local community in the development. The belief, that through sustainability destinations can achieve a more balanced development, has attracted the attention of most researchers. Nevertheless, Wheeler (1992a; 1992b) remarks that although the theoretical concepts of sustainability have been accepted by most political authorities, there is little comprehension of its practical implications for policy validation and implementation.

Among the models explaining tourism development, Butler's hypothetical model of a resort's life cycle is widely used to describe the growth of resorts in many different contexts, although its validity and universality have not yet been proven (Getz, 1992; Agarwal, 1997; Prideaux, 2000). Despite the debate about the use of Butler's model as being explanatory of tourism evolution, many researchers argue with most (if not all) the stages proposed by Butler, although others propose some kind of modification. Models presenting the physical appearance of seaside resorts have attracted less research interest and are focused on the urbanisation of seaside resorts from expanded tourism activity. Additionally, some governments have followed the enclave form of development in an attempt to minimise potential negative impacts arising from tourist-host encounters, although the majority prefer the spread type of development in order to increase economic linkages within host communities.

It is evident that tourism is an agglomeration of actions taken by the public and private sectors and local residents to meet the needs of travellers, to achieve economic welfare of the society, to increase the quality of life and to improve the various components of the physical environment and cultural heritage. However, tourism like all activities, is not just an 'economic blessing' but can also be a 'social and environmental blight' (Young, 1973; Kavallinis and Pizam, 1994; Brown, 1998). It may have both positive and negative consequences, depending on the volume and type of tourists, the level of institutionalisation of tourism and the socio-economic and cultural conditions of the host society. Nevertheless, as tourism has grown and increased in significance, governments and researchers

have realised that tourism can expand the local economy, can enrich people's lives and protect and maintain environment and culture.

The understanding of tourism impacts through the above review confirms a need for planning to ensure the elimination of the negative effects of tourism and the reinforcement of positive ones, as well as the incorporation of the local community desires into the planning process. The next chapter considers how planning approaches for tourism, when properly implemented, have a role to play in limiting the negative impacts of tourism and helping tourist destinations to develop further and reap as many benefit as possible from tourism activity.

CHAPTER THREE: TOURISM PLANNING

3.0 INTRODUCTION

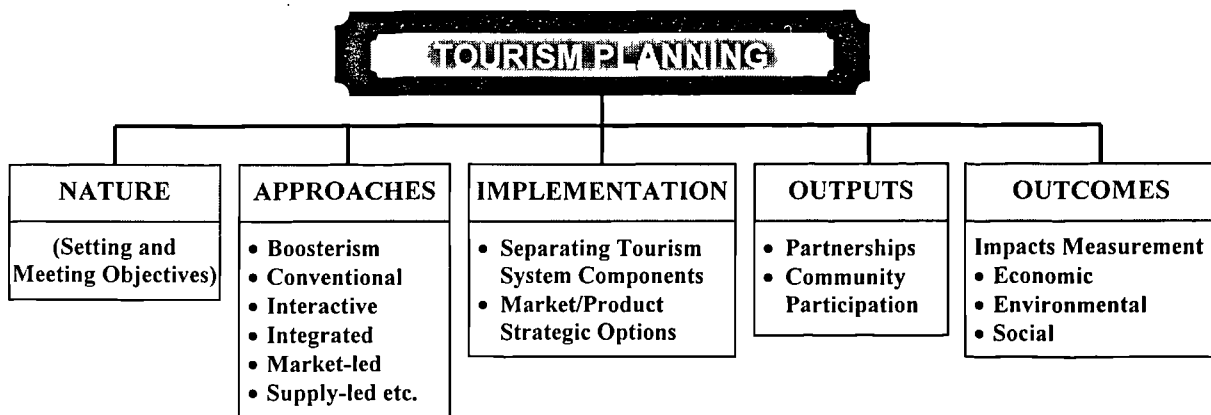
Planning is about setting and meeting objectives. Although various approaches have been developed in general planning, e.g. boosterism, integrated, interactive, collaborative, bottom-up etc, a literature review of tourism shows that not many authors have been concerned with tourism planning. Akehurst (1998) explains this by the fact that plans are developed by consultancy firms that rarely publish or divulge their 'secrets'. Only over the last decade some authors have been concerned with aspects of tourism planning (e.g. Inskeep, 1991; Gunn, 1994; WTO, 1994; Wilkinson, 1997b; Timothy, 1998; 1999; Tosun and Jenkins, 1998). Similarly, for the implementation of tourism planning, few approaches have been proposed, mainly various product/market options and systematic approaches.

Early tourism research (Ögilvie, 1933; Alexander, 1953) into the outcomes of tourism planning was restricted primarily to the measurement of the economic impacts for destination areas, due to the ease with which economic impacts may be measured, compared to environmental and social impacts (Mathieson and Wall, 1982; Archer and Cooper, 1998; Kontogeorgopoulos, 1998) and the attempt of local governments to optimise economic benefits (Allen et al., 1988; Stynes and Stewart, 1993). In order to maximise economic benefits many governments allowed the private sector to take important decisions about tourism development in an unrestricted and unplanned way (Hawkins, 1992). However, the focus of the private sector and tourism planning was naturally oriented toward short-term economic gains, through the construction of facilities which attract foreign visitors. As a result, too little attention was paid to socio-cultural effects on host communities and environmental problems for receiving destinations, which in the long-term, may outweigh the benefits (Seth, 1985; Jenkins, 1994).

Thus, unrestrained tourism development easily diminished the image of many destinations, to the extent that they attract only low-spending mass tourism. As a result, serious socio-economic and environmental problems emerged. Since tourism activity relies on the protection of environmental and socio-cultural resources for the attraction of tourists, planning is an essential activity for the success of a destination.

It is the aim of this chapter to investigate the planning process in the case of tourism, by providing a framework whereby tourism planning processes might be better described and explained (Figure 3.1). In doing so, this chapter explores the main components of the planning process, starting from the nature of planning, continuing with the various planning approaches and the ways that these broad approaches are implemented, and ending with the outputs (what appears on the ground) and the outcomes (measurement of planning impacts). By following this process, planners can have a basis for evaluating whether or not the objectives of tourism planning have been fulfilled.

Figure 3.1: The components of the tourism planning process



Source: Author.

3.1 THE NATURE OF PLANNING

Planning is an essential activity to achieve the goals of tourism development. As Murphy (1985) suggests:

Planning is concerned with anticipating and regulating change in a system to promote orderly development so as to increase the social, economic and environmental benefits of the development process. To do this, planning becomes 'an ordered sequence of operations, designed to lead to the achievement of either a single goal or to a balance between several goals' (p.156).

Gunn (1979) was one of the first to define tourism planning as a tool for destination area development, and to view it as a means for assessing the needs of a tourist receiving destination. According to Gunn (1994) the focus of planning is mainly to generate income and employment, and ensure resource conservation and traveller satisfaction. Specifically, through planning under- or low-developed destinations can receive guidelines for further tourism development. Meanwhile, for already developed countries, planning can be used as a means "to revitalise the tourism sector and maintain its future viability" (WTO, 1994, p.3). To this end, Spanoudis (1982) proposes that:

Tourism planning must always proceed within the framework of an overall plan for the development of an area's total resources; and local conditions and demands must be satisfied before any other considerations are met (p.314).

Every development process starts with the recognition by local/central government, in consultation with the private and public sector, that tourism is a desirable development option to be expanded in a planned manner. In order successfully to design a development plan, it is necessary to have a clear understanding of the development objectives to be achieved at national, regional or local levels. According to Sharpley and Sharpley (1997), these objectives are:

A statement of the desired outcomes of developing tourism in a destination and may include a wide range of aims, such as job creation, economic diversification, the support of public services, the conservation or redevelopment of traditional buildings and, of course, the provision of recreational opportunities for tourists (p.116).

The nature of these objectives depends on national, regional and local preferences grounded in the country's scale of political, socio-cultural, environmental and

economic values, as well as its stage of development. Development objectives may be:

- political, such as enhancing national prestige and gaining international exposure;
- socio-cultural, the encouragement of activities that have the potential for the advancement of the social and cultural values and resources of the area and its traditions and lifestyles;
- environmental, e.g. control of pollution; and
- economic, such as increasing employment and real incomes.

On the other hand, objectives can represent a combination of political, socio-cultural, environmental and economic aims, although they should take into consideration the desires and needs of the local community in order to retain its support.

Unfortunately, objectives are often in conflict each other and cannot all realistically be achieved (WTO, 1994). For example, if the two main objectives of a government are to achieve spatial distribution of tourism activity and increase tourist expenditure, these objectives are opposed, since to increase tourism expenditure, tourists should be attracted to the capital or the largest cities of the country, where more alternatives for spending exist, e.g. in entertainment and shopping. Therefore, Haywood (1988) proposes that the choice of objectives will have to be limited to those aspirations which the industry is capable of meeting or are the most appropriate to serve.

3.2 PLANNING APPROACHES

This section will present the major approaches to tourism planning. A major tradition to tourism planning, or as Hall (2000) debated a form of non-planning, is 'boosterism'. According to 'boosterism', tourism is beneficial for a destination and its inhabitants; environmental objects are promoted as assets in order to stimulate market interest and increase economic benefits and barriers to

development are reduced (Getz, 1987; Hall, 1991; Dredge, 1999). As Page (1995) remarked “local residents are not included in the planning process and the carrying capacity of the region is not given adequate consideration” (p.177). As a result, this approach does not provide a sustainable solution to development and is practised only by “politicians who philosophically or pragmatically believe that economic growth is always to be promoted, and by others who will gain financially by tourism” (Getz, 1987, p.10).

Tourism evolution brings many problems to the local community, i.e. overcrowding, traffic congestion, superstructure, and socio-cultural deterioration. Most of these problems can be attributed to laissez-faire tourism policies and insufficient planning (Edgell, 1990), and although some destinations have benefited from tourism development without any ‘conscious’ planning, there are others suffering from inattentive planning (Mill and Morrison, 1985).

Although the majority of countries have prepared tourism development plans, many of these plans are not implemented, and others are only “partially or very partially implemented” (Baud-Bovy, 1982, p.308). This may be due to ‘conventional planning’ as defined by Gunn (1988), that “has too often been oriented only to a plan, too vague and all encompassing, reactive, sporadic, divorced from budgets and extraneous data producing” (p.24).

Rather than conventional planning, Gunn (1994) proposes interactive planning, Bramwell and Sharman (1999) suggest collaborative planning and Timothy (1998; 1999) recommends co-operative and participatory planning, all directed along the same lines, the incorporation of the local community’s opinions and desires in the planning process. The reason for this is that:

Better decisions can be reached by means of a participative process, even though it is far more difficult. This shift in emphasis does not mean that research and concepts by professional planners are abandoned. Rather, it means that many other constituencies, other than planners, have experiences, opinions and constructive recommendations. Final decisions have a much better chance of being implemented if publics have been involved (Gunn, 1994, p.20).

As a result, interactive planning proposes top-down, together with bottom-up input, for the better implementation of plans. On the other hand, Braddon (1982) proposes that tourism planning should be “market oriented, providing the right product for the consumer - the tourist” (p.246). Inskeep (1991) states:

A completely market-led approach provides whether attractions, facilities, and services the tourist market may demand could result in environmental degradation and loss of socio-cultural integrity of the tourist area, even though it brings short-term economic benefits (p.30).

Therefore, he proposes that in order to avoid this situation a ‘product led approach’ is more applicable. This approach is also mentioned by Baud-Bovy and Lawson (1977) with their “product analysis sequence for outdoor leisure planning” (PALSOP) where emphasis is put on the ‘product’ (or in other words the supply), indicating the need for a ‘supply-led’ approach to tourism planning. According to Inskeep (1991) the supply-led approach implies:

Only those types of attractions, facilities, and services that the area believes can best be integrated with minimum impacts into the local development patterns and society are provided, and marketing is done to attract only those tourists who find this product of interest to them (p.30).

Mill (1990) and Gunn (1994) agrees with Inskeep (1991) that only integrated planning can reassure communities that the type of development results will be appropriate. Therefore, Baud-Bovy (1982) declares:

Any tourism development plan has to be integrated into the nation’s socio-economic and political policies, into the natural and man-made environment, into the socio-cultural traditions, into the many related sectors of the economy and its financial schemes, and into the international tourism market (p.308).

Tourism planners should learn from mistakes made elsewhere and realise that the planning process is not a static but a continuous process which has to integrate ‘exogenous changes and additional information’ (de Kadt, 1979; Baud-Bovy, 1982; Gunn, 1994; Hall, 2000). Therefore, tourism planning should be flexible and adaptable; to cope with rapidly changing conditions and situations faced by a

community (Atach-Rosch, 1984; Choy, 1991). Nevertheless, many decision-makers and developers are often located at a very considerable distance from the destination under development which means they may be unaware of, or unconcerned about any costs resulting from tourism development (Butler, 1993b). As Gunn (1988) remarks, planning is predicting and “it requires some estimated perception of the future. Absence of planning or short-range planning that does not anticipate a future can result in serious malfunctions and inefficiencies” (p.15). Therefore, Wilkinson (1997b) proposed that strategic thinking should be incorporated into planning. Strategic thinking is defined as:

A continual processing of external and internal information and adjusting to changing situations. The manager looks out into the future and identifies the changes the future may bring: changes in markets, changes in products, changes in technology, or changes in regulatory or financial environments. The plan becomes a statement of how to deal with these changing conditions. The plan is subject to continuous evolution as the manager attempts to achieve a strategic competitive advantage in a changing environment (Porter, 1985, p.467).

Next, tourism planning can take place “at various levels ranging from the macro national and regional levels to the various micro local planning levels” (WTO, 1993, p.39). As Pearce (1995b) proposes, plans prepared at one level should be focused almost exclusively on that level, although it should be ensured that they fit into the context of the other levels, since planning at one level can be influenced by planning at another level. For example, some countries, such as France and Spain rely heavily on regional tourism plans to complement the national ones.

To sum up, the evolution of tourism development planning can be broken down into five stages (Tosun and Jenkins, 1998, p.103):

- *Unplanned tourism development era*: during this stage tourism planning is ‘uncommon, unpopular and an unwanted idea’, and therefore tourism emerges as an unplanned activity.

- Beginning of partly supply-oriented tourism planning stage: this stage is characterised by the construction of basic infrastructure, such as hotels, restaurants, transportation etc.
- Entirely supply-oriented tourism planning stage: at this stage, planning is directed toward the creation of facilities that satisfy increased tourism demand, although it ignores most resulting problems.
- Market or demand-oriented tourism development planning stage: at this stage, tourism planning is focused mainly on greater numbers of tourists and how to satisfy them.
- Contemporary planning approach stage: after the increase in the number of tourist arrivals and the 'careless and myopic tourism development planning approaches', environmental, socio-cultural and economic problems increase which attracts the attention of developers and planners.

3.3 IMPLEMENTATION OF PLANNING

Little planning literature in tourism concentrates on the implementation of planning approaches through the use of appropriate tools and techniques in the planning process. These techniques are:

3.3.1 A systems approach to tourism planning

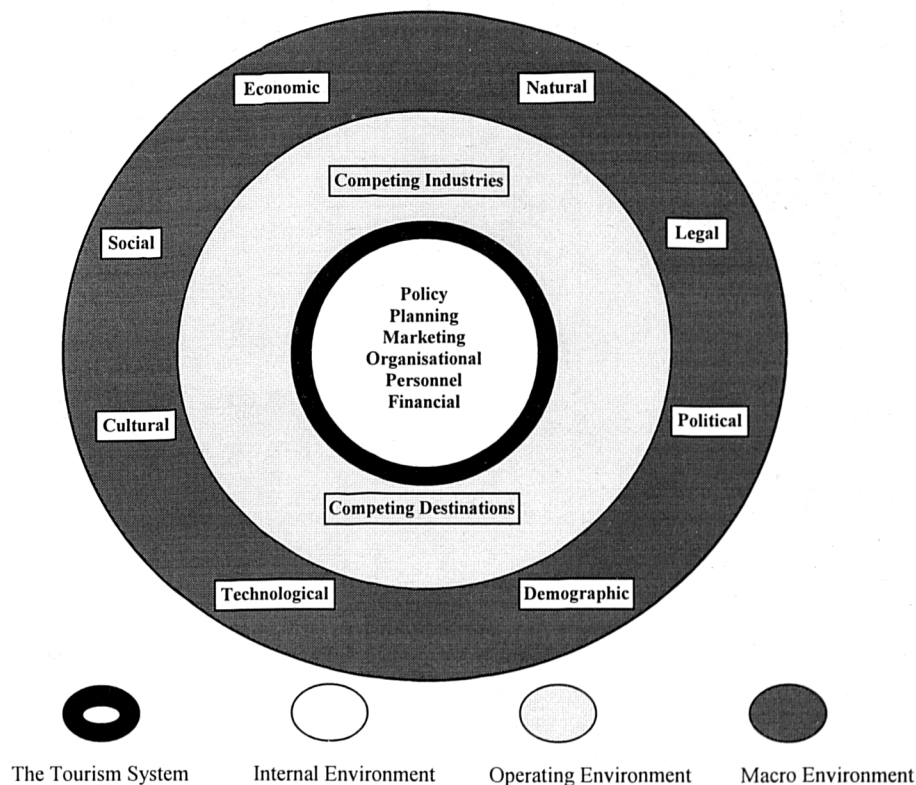
For a better understanding of the relationships within tourism, it is necessary to separate the components of the tourism system, in order to reduce its complexity and to identify the relationships of the components before drawing them back together (Pearce, 1989, p.280; Liu, 1994). According to Tosun and Jenkins (1998), this approach has "the advantage of taking a broader view instead of being myopic and isolated" (p.104). As a result, a systematic approach to tourism planning has been adopted by various researchers (e.g. Mill and Morrison, 1985; Gunn, 1988; Pearce, 1989; Inskeep, 1991; Harszel, 1994; Page, 1995; WTO, 1998).

Among the researchers who have adopted the system approach, Mill and Morrison (1985) considered four components of the tourism system, namely market, travel, destination and marketing, while Leiper (1990) identified: the tourists, the geographical elements and the tourism industry. Harssel (1994) viewed the tourism system as a mixture of demand and supply components and Laws (1991, p.7) went further by identifying the following features of the tourism system:

- The inputs (e.g. the supply of tourism facilities and tourism demand);
- The outputs (e.g. the tourism satisfaction); and
- External factors conditioning the system (e.g. tourists' preferences, political environment and economic issues).

Liu (1994, p.21) identified three environments of the tourism system (Figure 3.2):

Figure 3.2: The three environments of the tourism system



Source: Liu (1994).

- The internal environment includes policy, planning, marketing, organisational, financial, and human variables.

- *The operating environment* includes the tourists (domestic and foreign), the suppliers of the input (capital, labour, land, technology, materials, power etc.), the competition from other industries (e.g. leisure) and the competition from other destinations.
- *The macro-environment.* As planning is a 'many sided phenomenon' (Tosun and Jenkins, 1998), the system approach supports that successful tourism planning is essential to incorporate socio-cultural, economic, political, technological and geographical variables.

To sum up, as the components of the tourism system are inter-related, tourism development of a country or region should be examined as a whole. "Components exhibit a high degree of independence. The behaviour of the whole system is usually something very much more than the sum of the parts" (Wilson, 1981, p.3).

3.3.2 Market/product strategic options

Empirical studies of general planning practices have presented a wide variety of popular planning tools and techniques for the fulfilment of development objectives, using various market/product strategic options.

From the review of the market/product strategic options shown in Appendix A it is apparent that the four authors (Ansoff, 1965; Henderson, 1979; Porter, 1980; Gilbert, 1990) share a similar motivation by proposing alternatives on how a firm (or destination) can achieve leadership in the market through competitive advantage. For the achievement of this, strategists suggest a type of differentiation/leadership. Ansoff (1965) views differentiation as new products for new markets and Henderson (1979) suggests differentiation through products with high market share in a fast growing market (star products). Gilbert (1990) proposes a move from a position of commodity to a position of a status area, through a development of tourism product benefits and Porter (1980) views leadership from three angles: low-cost, differentiation and/or focus strategy.

Although a low-cost strategy is widely applied to most consumer goods, competitive advantage through low-cost is not advisable for tourist destinations. This is because a low-cost strategy reduces profit margins of destinations leaving them unable to invest in environmental preservation, infrastructure, services improvement and promotional initiatives. As a result, this strategy leads to the attraction of a low-spending market. As most package tourists are concentrated in time and space, the local resources are exploited to the maximum degree, with all the consequent adverse effects.

Although 'star product destinations' should have a high market share, they should not exceed the carrying capacity of the destination and destroy local resources. An increase in the number of visitors does not always mean benefits for the destination. Higher-spending visitors may bring better results. If a destination promotes and sells new or existing quality products to new or existing environmentally-friendly markets, it may pass from a position of commodity to a position of status which may be achieved through an improved image which may attract higher spending, loyal customers. This market may respect the environment and the host society's welfare and may bring more benefits than costs to the destination. Thus, demand may not be incidental, but intentional. This can be achieved only if development is planned and not occasional.

The above-mentioned strategies can be used by developers as tools for the formulation of planning approaches and for the enhancement of their strategic decisions. The essence of strategy formulation is an assessment of whether the destination is doing the right thing and how it can act more effectively. In other words, objectives and strategies should be consciously developed so that the destination knows where it wants to go. To this end, strategy formulation should be carried out with the involvement of the community, so as to ensure their help for the achievement of the plans. In summary, not all destinations will be in the position to expand or achieve sustainability in the future. Only the destinations that choose the best strategies may be reinforced with a competitive advantage that will bring them the most benefits from tourism development.

3.4 OUTPUTS OF TOURISM PLANNING

From the implementation of the approaches discussed above the following planning outputs emerge.

3.4.1 Partnerships in tourism planning

In the tourism industry, there are examples where partnership arrangements are highly effective for the success of tourism planning and development. Since the public sector is concerned with the provision of services, the resolving of land-use conflicts and the formulation and implementation of development policies, and the private sector is mainly concerned with profit, partnerships between the private and public sector on various issues can benefit destinations (Sharpley and Sharpley, 1997). As Timothy (1998) highlights:

Co-operation between the private and the public sector is vital ... a type of symbiotic relationship between the two sectors exists in most destinations (since) public sector is dependent on private investors to provide services and to finance, at least in part, the construction of tourism facilities. Conversely, without co-operation, tourism development programmes may be stalled, since private investors require government approval of, and support for, most projects (p.56).

Examples of partnership include National Tourism Organisations (NTOs) working collaboratively with tourism industry operators to develop attractions and facilities; regional tourist boards providing a range of services for their commercial members, including hoteliers, attraction operators and coach companies; and local authorities co-ordinating the development of privately funded tourist facilities in their areas (Youell, 1998, p.177). Partnership arrangements can also be identified within the private or the public sector. For instance, tour operators very often contract with accommodation providers and local authorities work together with the NTO to promote a destination.

3.4.2 Community participation in tourism planning

Community involvement in tourism can be viewed from two perspectives: in the benefits of tourism development and in the decision-making process (McIntosh and Goeldner, 1986; Timothy, 1999; Tosun, 2000).

For residents to receive benefits from tourism development “they must be given opportunities to participate in, and gain financially from, tourism” (Timothy, 1999, p.375). However, benefits from tourism are often concentrated in the hands of a limited number of people who have the capital to invest in tourism at the expense of other segments of the community (e.g. lower class, uneducated and poor people). Therefore, Vivian (1992) finds many traditional societies repressive since they often exclude large numbers of people from the development and planning process. As a result, Brohman (1996, p.59) proposes that tourism benefits and costs should be distributed more equally within the local community, allowing a larger proportion of the local population to benefit from tourism expansion, rather than merely bearing the burden of its costs.

Pearce et al. (1996) have seen community participation from the aspect of involving:

individuals within a tourism-orientated community in the decision-making and implementation process with regard to major manifestations of political and socio-economic activities (p.181).

Potter et al. (1999, p.177) refer to the term of empowerment as “something more than involvement” and Craig and Mayo (1995) suggest that through empowerment the ‘poorest of the poor’ may be included in decision-making. According to Potter (1999):

Empowerment entails creating power among local communities through consciousness raising, education and the promotion of an understanding within communities of the sources of local disenfranchisement and of the actions they may take. It may also

involve the transfer of power from one group, such as the controlling authority, to another (p.178).

Shepherd and Bowler (1997, p.725) reviewed the literature and identified four major propositions for public participation:

1. public participation as proper, fair conduct of democratic government in public decision-making;
2. public participation as a way to ensure that projects meet citizens' needs and are suitable to the affected public;
3. developments carry more legitimately, and less hostility, if potential affected parties can influence the decision-making process; and
4. decisions are 'better' when expert knowledge is publicly examined

Murphy (1985) has identified a wide variety of interpretations associated with the concept of community participation in the planning process. Painter (1992) observed three types of participation: *pseudo* where attempts are made to offer a feeling of community participation, mainly restricted to informing and endorsement, *partial* where community is given some opportunities to influence the development process, but the final decisions are taken from the authorities, and *full* where each individual has equal influence on the outcome of the process.

Through participation, communities can shape their own lives and the society they want to live in and how to sell it (Timothy, 1998). Communities are the destination of most travellers, and therefore "tourism industry development and management must be brought effectively to bear in communities" (Blank, 1989, p.4). According to Hall (2000) community participation in tourism planning is "a bottom-up form of planning which emphasises development in the community rather than development of the community" (p.31).

Since each group of people has different needs and receives different costs and benefits from tourism development, they can have different views towards the development of their community (WTO, 1993). Thus, it might be appropriate to

involve the community in the development process. When communities do not have input into the process they may feel that they lose control of their communities, as they may prefer to exploit their resources in ways that will protect their environment and culture (Holland and Crofts, 1992; Thomlison and Getz, 1996). Undoubtedly, 'bottom-up' input together with 'top-down' is "the best way to avoid confrontation and achieve harmonious development" (Pigram, 1990, p.7). Only through the co-operation of businesses, citizens, local authorities and governmental and non-agencies, can a balanced tourism development be achieved.

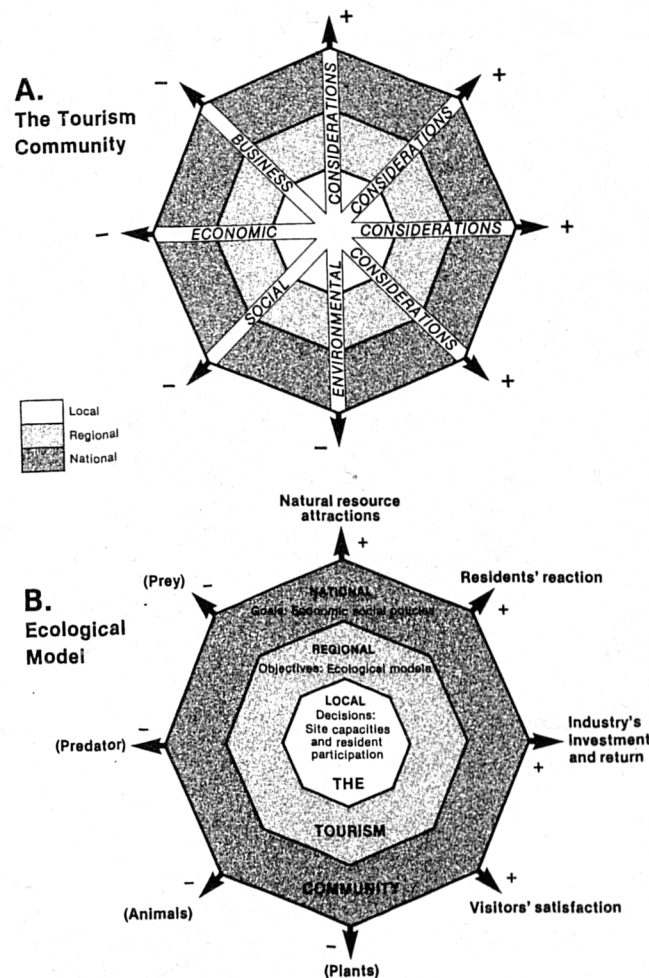
Smith (1984) identified four prerequisites for planning participation: opportunity and legal right, access to information, provision of resources for the public to get involved, and genuine public (broad involvement of the public rather than selective). Additionally, Painter (1992) identified three major forms of community participation:

1. Information exchange. The outcome of the process is determined by the available information, e.g. through surveys on community opinions, public hearings and media representations.
2. Negotiation through face-to-face contact and public discussions between a usually small number of individuals and the public authority.
3. Protest. In this case, there are oppositional direct actions, rather than co-operative forms of participation, such as demonstrations, strikes and blocking traffic.

Some authors (Murphy, 1983; 1985; Joppe, 1996) based community development on an ecosystem approach. They suggested that since "the host community is the destination in which individual, business and government goals become the tangible tourist products and images of the industry" (Murphy, 1985, p.181), the ecosystem approach "ensures that all interested parties truly have the opportunity to shape the outcome by determining the process" (Joppe, 1996, p.315). Murphy (1985) was the first to associate tourism with an ecosystem (Figure 3.3), where in "destination areas, visitors interact with local living (hosts, services) and non-

living (landscape, sunshine) parts to experience (consume) a tourism product” (p.167). Only when all interactions result in ‘an equilibrium state’, can an ‘ecological balance’ be achieved (Murphy, 1985, p.167).

Figure 3.3: Ecological model of tourism



Source: Murphy (1985).

Murphy (1985) with his model paid attention to the opinions of the local population and indicated that “since tourism involves putting the whole community on show, including its residents, it needs to consider and involve the same residents in the planning and management decisions” (Murphy, 1988b, p.133). Concurrently, he identified the limits of a community’s carrying capacity in the planning process. Haywood (1988) observed that “tourism and tourists are consumers and users of community resources, (therefore) community is a

commodity. The naturalness of the community, its way of life, its institutions, and its culture are bought and sold. In fact some communities are intentionally planned and constructed for consumption by tourists” (p.105).

Pearce et al. (1996, p.218) proposed the idea of social representation in tourism and suggested that it can be used to understand the emerging social views and subjective cultures of developing tourism communities, as well as voicing community input into the shaping of sustainable tourism development. As Schroeder (1996) suggested, residents can help the building of a propitious image through their contact with tourists. The opposite can occur when the host population proceeds to anti-tourist protests to incoming tourists, something that will affect negatively visitors’ satisfaction and the extent of repeat visitation.

Potter (1999) remarks that although since the 1970s various agencies have promoted community participation in practice most of the time community participation has little influence in policy making. Likewise, Dowling (1993) remarked that although “research into community attitudes towards tourism is reasonably well-developed, incorporation of such views into the planning process is far less common” (p.53). On the other hand, although there is evidence that informed citizens are willing to be involved in the development process and the future of their communities (Keogh, 1990), past experience in planning has shown that communities have limited knowledge of tourism development (Pearce et al., 1996),

There are occasions where the government (which very often has the role of planner and developer) is unwilling to negotiate on particular problems for political reasons or because of other interests (Pearce et al., 1996, p.191). Inskeep (1991) disapproves of the reluctance of some governments to pursue community involvement and noted: “planning is for the residents of an area, and they should be given the opportunity to participate in the planning of its future development and express their views on the type of future community they want to live in” (p.27).

Only by having the locals on their side can tourists hope to cohabit peacefully; and only then host community can make sure that the environment to which tourists were attracted in the first place will be safeguarded for the lasting economic well-being of the local people, and for the enjoyment of a continuity influx of tourists (Dogart and Dogart, 1996, p.73).

Although governments have realised the great potential of tourism for economic development, they ignore the importance of public participation in planning, and choose very often top-down planning that leaves host communities with little input and control over the development of their community. A number of factors may be found that hinder and constrain participatory development. According to Botes and van Rensburg (2000, p.42) they range from institutional to socio-cultural, to technical, to logistical, and are spread over a seemingly endless spectrum. Botes and van Rensburg (2000) also identify that these obstacles may be external, internal and a combination of both. As they state:

External obstacles refer to those factors outside the end-beneficiary community that inhibit or prevent true community participation taking place. External obstacles suggest the role of development professionals, the broader government orientation towards promoting participation, the tendency among development agencies to apply selective participation, and their techno-financial bias. Internal obstacles refer to conflicting interest in groups, gate keeping by local elites, and alleged lack of public interest in becoming involved. Some of the obstacles such as excessive pressures for immediate results and techno-financial bias include both internal and external characteristics (p.42).

According to Shepherd and Bowler (1997) many community members may lack specific expertise or education and, therefore, their participation may be considered unnecessary. Timothy (1999) gives as an explanation for limited involvement of the community in the decision-making process during the infancy of the tourism industry in many developing countries indicating that there is little experience and knowledge of the industry's dynamics by community members. Tosun (2000) identifies as a limitation of community participation in developing countries the requirement of costly administrative procedures (time, organisational skills and money). There is the fear that community involvement

may delay schedules of plans or may force developers to revise projects (Jenkins, 1993; Shepherd and Bowler, 1997). Since resources are scarce in many developing countries, developers and planners prefer to allocate them to physical investments rather than to bureaucratic formalities. Hall (2000) identifies as a problem in the incorporation of the community to tourism planning the structure of the government. As he mentions:

The nature of systems of governance leads to difficulties in ensuring that tourism policies at different levels of government are adequately co-ordinated and that decisions and policies at one level are not at odds with decisions at another (p. 32).

Often authorities cannot reject or oppose decisions undertaken by transnational tourism organisations because of the fear that they will lose economic returns. As a result, the tourism industry often is controlled by outsiders. Tosun (2000) asserts that “public bodies may not want to spend their limited financial resources on organising community participation whose benefits appears to be relatively long term. Private sector may avoid practising participatory tourism development strategy since it involves contradictory investment criteria” (p.624). In addition, community participation “may lead to conflicting objectives amongst the local aims” (WTO, 1994, p.10).

Concern is also being expressed that participation will not obtain a representative or collective community view, and residents are often “sceptical of community involvement, for past practise has tended to be ineffective in their empowerment to affect decisions, and use time wisely” (Godfrey, 1993, p.250). Moreover, it should be considered that many community members may be more interested in their own interest rather than their community’s (Chesterman and Stone, 1992; Jenkins, 1993).

To sum up, greater community involvement may mean more time wasted in reaching decisions and consequently it is seen as unnecessary and unwieldy. As Haywood (1988) remarked, the costs for such a policy are not only financial but also “executive burdens, such as the possible dilution of power, the lack of time to

interact with citizens, the patience to educate others, the forbearance to be educated by outsiders, the determination to improve negotiation skills, the courage to risk some loss of control over matters previously internal to the industry, and, ultimately, the danger of failure and the pain of bad publicity” (p.107).

3.5 MEASURING TOURISM IMPACTS

The aim of planning is to evaluate whether objectives have been fulfilled through measuring the economic, environmental and social impacts.

3.5.1 Economic measures

A review of tourism studies shows that development is mainly associated with economic prosperity. Therefore, the most frequently used measures in tourism research have been concerned with the economic impacts. Frechtling (1994a, p.359) asserted that tourism economic potential can be understood as the gross increase in the income of people located in an area, usually measured in monetary terms, and the changes in incomes that may occur in the absence of the tourism activity. Measures dealing with the direct benefits of tourism include labour earnings, business receipts, number of jobs, and tax revenue (Frechtling, 1994b).

The focus of tourism economic research is based on the measurement of the economic benefits of tourism to communities. Most work (e.g. Archer, 1977; Liu et al., 1984; Ruiz, 1985; Jackson, 1986; Milne, 1987; Witt, 1987; Archer and Fletcher, 1988; Oosterhaven and van Der Knijff, 1988; Wanhill, 1988; Fletcher, 1989; Khan et al., 1990; West, 1993; Archer, 1995; Archer and Fletcher, 1996; Henry and Deane, 1997) has been based on the concept of the multiplier analysis which is based upon the recognition that the tourism impact is not restricted in the initial consumption of goods and services but also arises through the calculation of the direct and secondary effects created by additional tourism expenditure within the economy. There are four different types of tourism multipliers application in common use (Jackson, 1986; Fletcher and Archer, 1991): sales (or

transactions), output, income and employment. The extent of the multiplier depends on the size, structure and diversity of the local economy.

3.5.2 Environmental measures

In an attempt to eliminate environmental costs, many countries have included in their legislation Environmental Impact Assessment (EIA) for all projects, including tourism. The aim is to predict the environmental consequences of a proposed development activity, and to ensure that potential risks are foreseen and necessary measures to avoid, mitigate or compensate for environmental damage are identified (ODA, 1992, p.90; Green and Hunter, 1993). EIA usually examines the following (Cooper et al., 1998, p.156):

- Environment auditing procedures;
- Limitations for natural resources;
- Environmental problems and conflicts that may affect project viability; and
- Possible detrimental effects on people, flora and fauna, soil, water, air, peace and quiet, landscapes, and cultural sites.

A variety of other indicators can be used, often included in EIA procedure, to measure environmental impacts, such as climate change, urban environmental quality, natural resources, eutrophication, acidification, toxic contamination, waste, energy and transport indicators (OECD, 1994).

3.5.3 Social measures

According to Cooper et al. (1998, p.180) the socio-cultural impacts of tourism are the most difficult to measure and quantify, because they are often highly qualitative and subjective in nature. There are two key methods for collecting information for social impact measurement:

- primary research through surveys or interviews including attitudinal surveys, the Delphi technique and participant observation (Crandall, 1994); and

- the analysis of secondary sources found in government records, public documents and newspapers.

3.5.4 Other measures

Apart from the above measurements of tourism impacts, recent attempts have been made to develop more comprehensive indicators (Lundberg, 1974; de Albuquerque and McElroy, 1992; Sezer and Harrison, 1994; Oppermann and Chon, 1997; McElroy and de Albuquerque, 1998), such as:

- The Travel Intensity Index (the ratio of visitors to local population);
- The Tourism Intensity Rate (the number of visitors per 1,000 population and per square kilometre of total land area);
- The Tourism Penetration Ratio (the number of visitors x the average length of stay divided by the population x 365);
- The Tourism Density Ratio (the number of visitors x the average length of stay divided by land area x 365); and
- The Human Development Index (HDI) used by the United Nations Development Programme (UNDP) that integrates financial and social variables.

Since attitudinal surveys are considered the most important method of investigating the host community's attitudes and perceptions of tourism, the following section will present past research of community attitudes to tourism impacts.

3.6 RESEARCH INTO COMMUNITY OPINIONS ON TOURISM IMPACTS

In the tourism literature, many studies have tried to investigate the opinions of residents on tourism development and their desire for further tourism expansion. According to Phillips (1994) and Andriotis et al. (1999), it is important to realise

that local communities are not fixed in their attitudes, nor are they likely to share identical attitudes.

Therefore, in many impact studies, it has been argued that attitudes towards tourism development may be due to several factors (independent variables). In an attempt to investigate these factors, many researchers have divided the total population into subgroups. Such a method “enables planners to appeal to, and enlist the support of highly positive segments of people. Conversely, it permits the anticipation of points of resistance which need to be addressed if tourism development is to go ahead successfully” (Ritchie, 1988, p.210). The major single-factors found in the literature are:

- Economic reliance on the tourism industry. Positive attitudes from residents increase with an individual’s economic and/or employment dependency on tourism (Rothman, 1978; Thomason et al., 1979; Murphy, 1981; Pizam and Pokela, 1985; Ap, 1990; Caneday and Zeiger, 1991; Glasson et al., 1992; Snaith and Haley, 1994; 1999).
- Distance from the tourist zone. The distance of residents from the tourist zone very often explains variations in attitudes (Pearce, 1980; Sheldon and Var, 1984; Murphy and Andressen, 1988; Glasson et al., 1992). More specifically, negative impacts of tourism decrease as the distance between the individual’s home and the tourist zone increases (Pizam, 1978; Long et al., 1990). However, a study by Belisle and Hoy (1980) found that the greater the distance from the development, the more negative the attitudes toward tourism.
- Degree of tourists-residents ratio. Duffield and Long (1981) illustrate that communities with a small tourists-residents ratio tend to be positive about tourism. Thus, as tourist development increases and becomes pervasive, the level of satisfaction in the local community correspondingly decreases. Allen et al. (1988) compared the impact of tourism development on resident’s perceptions in 20 rural communities and found that “lower to moderate levels of tourism development appeared beneficial, but as tourism development increased, perceptions of residents took a downward trend” (p.20). Therefore,

Doxey (1975); Dogan (1989); Ryan et al. (1998) suggest that in the initial stages of tourism development, residents have a favourable opinion of tourism, but end up with a negative outlook.

- Socio-demographic characteristics. According to some researchers gender (Pizam and Pokela, 1985; Ritchie, 1988), education (Husbands, 1989; Haralambopoulos and Pizam, 1996; Jones et al., 2000) and age (Murdock and Shriner, 1979; Brougham and Butler, 1981; Dogan, 1989; Husbands, 1989; Jones et al., 2000) can explain attitudes toward tourism. However, the majority of researchers (e.g. Belisle and Hoy, 1980; Brayley and Var, 1989; Husbands, 1989; Mok et al., 1991; Allen et al., 1993; Brown and Giles, 1994; Ryan et al., 1998; Tomljenovic and Faulkner, 2000) found that socio-demographic characteristics do not to any significant degree explain variations in residents' attitudes.

Pearce et al. (1996, p.81) asserted that communities having little contact with others, have greater difficulty in dealing with tourism than those with a longer history of dealing with other cultures, and they gave the example of Bermuda (Manning, 1979) and the larger Greek islands (Loukissas, 1982) noting that these islands have few difficulties in dealing with tourism because of their long history of contact with other cultures. Researchers, such as Murphy and Andressen (1988); Snepenger and Johnson (1991); Lankford and Howard (1994); Haralambopoulos and Pizam (1996); and Pearce et al. (1996) have identified additional single factors. They include: occupational status, number of minors in the family, size of household, length of residence, residents' involvement in tourism decision-making, birthplace, perceived impacts on local outdoor recreation opportunities, voting/political patterns and differences in perceptions between those living in the less developed peripheral areas and those living in the capital city. Unfortunately, research into these variables is limited and therefore their significance in explaining community's attitudes has not been proven.

Similarly, although residents' image of their community may be used to explain their attitudes to tourism development not many authors have made any attempt to prove it. Alternatively, research on tourism image has been focused on the

influence of destination image on tourism behaviour and choice (Hunt, 1975; Pearce, 1982; Gartner, 1986; Phelps, 1986; Chon, 1990; Echtner and Ritchie, 1991; 1993; Lubbe, 1998; Walmsley and Young, 1998; Coshall, 2000; Tapachai and Waryszak, 2000). Hunt (1975) defined tourism image as the impression held by people about a state in which they do not reside. However, it is important for planners to investigate the opinion of people on their state's image, in order to achieve their support on tourism development.

In the literature, the two major perceptions of image are the cognitive and the affective (Hanyu, 1993; Baloglou and McCleary, 1999; Vaughan and Edwards, 1999). The cognitive perception of a destination's image from the residents point of view is how residents would describe the physical attributes or features of the area, such as landscape, built environment and people, and the affective is "the interpretation of the cognitive perceptions by the individual into feelings of like or dislike" (Vaughan and Edwards, 1999, p.3). Both the cognitive and affective perceptions form the overall image of an area (Stern and Krakover, 1993; Baloglou and McCleary, 1999).

Milman and Pizam (1988) found that residents of Florida believed that tourism development had improved their own image of their area. Schroeder (1996, p.72) suggested that residents of North Dakota indicating a more positive image were more likely to recommend their area to others and be more supportive of state funding for the promotion and development of tourism. In this sense, residents of Frederickburg, Texas who are satisfied with and proud of their community's image, are willing to work hard to maintain it (Huang and Stewart, 1996). "Compliments from outsiders can affect residents' perception of their own community and can ultimately influence their behaviour" (Huang and Stewart, 1996, p.29). To this end, Schroeder (1996) supported:

Improving the resident's image could help develop political support for increased tourism spending and could help make residents better ambassadors for their state or region (p.73).

Residents attitudes have also been investigated using multiple factor studies, which acknowledge that residents attitudes are made up of both positive and negative perceptions of the economic, social and environmental implications of tourism development. Thus, such studies have attempted to classify people according to the extent to which overall perceptions are positive or negative; whilst accepting that they are made up of negative and positive perceptions of different intensity (Andriotis et al., 1999). For example, according to Madrigal (1995):

Residents are forced to take some kind of position on development. Residents who share perceptions may be considered part of the same nested community, whereas residents with competing views of development belong to different nested communities. Membership does not necessarily have to be formally stated; rather membership in this context refers only to those individuals whose reactions to decisions lead to similar perceptions of outcomes (pp.87-88).

As a result, segmentation of residents based on attitudes held, has resulted in the finding that any host community is not homogenous but comprises a number of groupings of like-minded individuals.

Studies of residents, based on the multiple factors behind residents' attitudes are limited in number in the literature. Figure 3.4 presents information about the findings of some of these studies, which reflect that there is a continuum of segments according to the degree of positivity in attitudes ranging from advocates to haters, although the number of groupings along this continuum varies from study to study.

Figure 3.4: Multi-factor studies and degree of positivity towards tourism development

Degree of Positivity	Davis et al. (1988)	Evans (1993)	Ryan and Montgomery (1994)	Madrigal (1995)	Ryan et al. (1998)
High \uparrow +	Lovers (20%)	Lovers (20%)	Enthusiast (22.2%)	Lovers (13%)	Extreme Enthusiastics (17.5%)
	Love 'Em for a Reason (26%)	Selfish (3%)			Moderate Enthusiastics (42.5%)
	Cautious Romantics (21%)	Controlled (32%)		Realistics (56%)	Cautious Supporters (40%)
	In-Betweeners (18%)		Middle of the Roaders (54.3%)		
			Somewhat Irritated (24.2%)		
Low \downarrow -	Haters (16%)	Haters (11%)		Haters (31%)	

Andriotis et al. (1999).

Other studies (e.g. Belisle and Hoy, 1980) have attributed the positive attitudes of residents toward tourism to a function of the incipient stage of tourism development. Consequently, in order to investigate all the aspects of tourism impacts through the stages of development, Brougham and Butler (1981) noted:

An ideal investigation of the social, cultural and economic effects of the tourist industry would need to look at a destination area both before and after the appearance of visitors and their associated phenomena (p.570).

Such studies have so far constituted something of a rarity in the literature depriving “researchers of the opportunity to measure change over time” (Butler, 1993b, pp.140-141). Only four studies have sought to examine perceptions of tourism impacts on a longitudinal basis. Getz (1986) investigated the long-term change in the human system in the Badesdenoch and Strathspey district of the Scottish Highlands and found that “tourism can have a significant, positive impact on attaining population stability and growth” (p.125). However, this study was focused on tourism impacts and population change and did not investigate the overall tourism environment. A second study by Getz (1994), in the Spey Valley, Scotland, investigated changes in residents’ perceptions of tourism and related

issues over a 14-year period. He found that residents' views were positive in both surveys, although an increasing negativity was apparent in the second study, mainly due to the failure of tourism to provide the desired benefits. Soutar and McLeod (1993) measured the attitudes of residents of Fremantle, Australia, regarding the impact of the America Cup competition in their city before, during and after the event. However, this study dealt with a single event, rather than the development of a destination area. A study by Johnson et al. (1994) in Shoshone County, Idaho, tried to investigate residents' attitudes over the developmental phase of a new year-round ski resort. Unfortunately, the low response, 34 percent in the pre-development stage, with a three percent increase after the resort opened, makes the assessment of residents' attitudes difficult.

The type of tourist very often influences residents' attitudes towards tourism impacts. Cohen (1972) examined tourism growth from the angle of varying traveller characteristics. He classified tourist experiences and roles as follows: the non-institutionalised (explorers and drifters) and the institutionalised (individual and organised mass tourists). Each of these types has different impacts on host societies. Similarly, Smith (1978) linked community impact from tourism development in terms of waves of tourist types. She identified seven tourist types in order of expanding community impacts, and increasing tourist flows (Figure 3.5). Smith (1978), like Cohen (1972) earlier, suggested that independent travellers and explorers, are more likely to directly experience local culture and lifestyles, and impact less on the community, compared to package tourists.

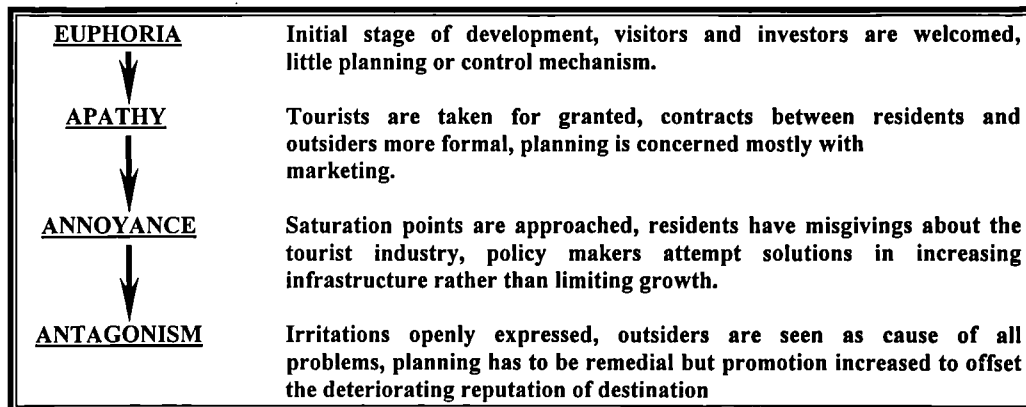
Figure 3.5: Typology of tourist types linked to community impacts

Type of tourists	Number of tourists	Community impacts
1. Explorer	Very limited	} Very few
2. Elite	Rarely seen	
3. Off-beat	Uncommon but seen	
4. Unusual	Occasional	} Gradually increasing
5. Incipient mass	Steady flow	
6. Mass	Continuous flow	} Substantial
7. Charter	Massive arrival	

Source: Smith (1978).

Cohen (1972) and Smith (1978), although they identified that each type of tourists has different impacts on the host community, they failed to incorporate the stages of development experienced by a community and as a result to explain why certain destinations fail or succeed, as Doxey (1975) did with his Irridex Model. In particular, Doxey (1975) investigated changes in residents' attitudes as a community moves from a discovery stage to moderate and finally to full tourism development. In particular, he proposed that community residents' attitudes pass through a predictable sequence of stages from euphoria in which residents are enthusiastic about tourism development and welcome strangers, to apathy, and from annoyance to antagonism in which irritation is expressed and outsiders are seen as the cause of all problems (Figure 3.6). Mathieson and Wall (1982) considered Doxey's Irridex Model as "an initial attempt to clarify communities on the basis of attitudes towards tourism ... there is a cycle of community attitudes towards tourism ... (and) at any time there will be differences in attitudes towards tourism within a community, some being for and others being against and, at the same time, the nature of the issues is likely to change" (p.189).

Figure 3.6: Doxey's IRRIDEX of resident irritation



Source: Doxey (1975).

All the aforementioned studies on tourism impacts are concerned with the perception of residents towards tourism development. In effect, there is limited research on the opinions of other community groups, such as businessmen and local authorities on tourism development. Exceptions include the following studies.

Thomason et al. (1979) compared the attitudes of three groups affected by tourism expansion: residents, entrepreneurs, and public sector providers, and highlighted significant differences between their attitudes towards environmental issues, with entrepreneurs having more positive attitudes than the other two groups. Tyrrell and Spaulding (1987) surveyed household, business and town official attitudes toward tourism growth in Rhode Island, and found that the three groups expressed favourable attitudes. However, households were more concerned over the location of specific tourism facilities close to home, because of traffic congestion and litter problems, although businesses and town officials believed the benefits of tourism in employment and earnings to be higher when tourism activity is close to home.

Murphy (1983, p.9) studied three decision-making groups (residents, business sector and administration) to test whether a certain set of related variables can successfully discriminate these groups. He found significant differences between the perceptions and attitudes of the three groups toward tourism development, with the business sector being the most distinct. Nevertheless, Murphy (1983) remarked that all groups were sufficiently close in their overall interest in their community's future.

Lankford (1994) examined residents', government employees', elected officials' and business owners' attitudes to tourism development, in 13 cities and six counties within the Columbia River Gorge region of Oregon and Washington. He found that although all the groups recognised the economic significance of tourism within their community and region, residents were more sceptical than the other groups regarding additional tourism development. Pizam (1978) focused on community views in Cape Cod, Massachusetts, with interviews with 1,636 residents and 212 entrepreneurs, where some incongruity in attitudes towards tourism impacts appeared with residents employed in non-tourism enterprises being the most negative.

Kavallinis and Pizam (1994) investigated tourists', residents' and entrepreneurs' attitudes towards environmental impacts and concluded that tourists were more critical of the environmental impacts than entrepreneurs and residents. In addition,

tourists considered the other groups to be more responsible than themselves for negative environmental impacts. They also concluded that residents considered themselves more responsible for the creation of negative impacts than the other two groups.

3.7 CONCLUSION

Tourism development has both positive and negative effects on a tourism destination. Communities are very often threatened with unwanted developments and face problems from unplanned or carelessly planned tourism expansion. In order to overcome these multi-faceted problems, comprehensive tourism planning is needed to maximise the benefits and minimise the costs or disadvantages of tourism development through the involvement of the local community who have to live with the tourists and the costs and benefits they bring.

The above literature review indicates that although there is a strong argument for the need for planning in tourism development. However, it is not important only to design a development plan but also to implement it. Therefore, it is necessary to develop policies that will be widely accepted by the local community. Planners and governments should consider the fact that there are limits to how much tourism a particular destination could absorb. Destinations need to consider these limits and plan their tourist industry accordingly. Planners and governments must continuously measure environmental and socio-economic impacts of tourism, in order to ensure long-term benefits for residents and tourists alike without damaging the man-made and natural environment.

Tourism has been seen by many governments as an economic development strategy and if a destination area wishes to maintain tourism as a long-term activity, it should be concerned through planning to differentiate its product from competing destinations through better preservation of its environment and culture, understanding the needs and desires of the local community and increased awareness in the community as to what the industry means in terms of costs and benefits. Planning for tourism will benefit only through input from a wide range

of participants including governmental and non bodies, local and regional organisations, businesses and the host population, since it is extremely difficult to formulate and implement a tourism plan without the strong support and involvement of all these groups.

To conclude, integrated and holistic planning can be considered as a mechanism for future and present problem-solving orientations and as a tool to provide a balance between the positive and negative effects of tourism (Atach-Rosch, 1984; Gunn, 1994). The encouragement of the involvement and the active participation of the local community in the planning process are of primary importance for keeping the control of the tourism industry in the hands of the local population and achieving a balanced tourism development.

After the literature review on development and planning the next two chapters will provide a basis for understanding the development and planning of tourism in Crete, in order the last Chapter to propose the preferred routes for the development of the island.

CHAPTER FOUR: TOURISM-RELATED DEVELOPMENT IN CRETE

4.0 INTRODUCTION

During the 1970s, many Greek islands realised dramatic changes in their economic base. After many decades, with an economy driven by agriculture, fishing and navigation, demand for holidays from western Europeans turned their activity to tourism as a development strategy to improve their economy and break out of the cycle of deprivation. One of these islands is the island of Crete where tourism has played a major role in the development of the local economy.

Although tourism in Crete is not very recent, it is only in the past two decades that it has grown significantly. The existence of basic infrastructure, the Cretan natural beauty, good weather, culture, heritage and tradition, as well as the maturity of competitive island destinations in the Mediterranean, are the main components of Crete's continuing tourism growth. Today, foreign tourism has been transformed into a primary source of income for the island, although social and environmental problems have emerged, mainly due to mass tourism development and inattentive tourism planning.

The aim of this Chapter is to apply the tourism development process framework, provided in Chapter Two, to the case of Crete, by examining supply, demand and physical data relating to the growth and structure of the Cretan tourist industry, and by presenting the outcomes of tourism development for the island and the local population. By doing this it is attempted to investigate the development patterns of the island, so as to understand which approaches of development are applicable to Crete and how the development of the island has influenced the local community.

4.1 DEMAND ASPECTS OF TOURISM

4.1.1 Tourist arrivals

Centuries ago travellers, artists and men of letters (Sieber, 1823; Pashley, 1837; Spratt, 1865) were fascinated by the art, history and literature of Crete, and the Greek legends of 'gods and heroes' (Boniface and Cooper, 1987). However, before the Second World War, tourists to Crete numbered only a few thousand. As (Basil, 1964) reports approximately 23,000 tourists visited the island in 1962.

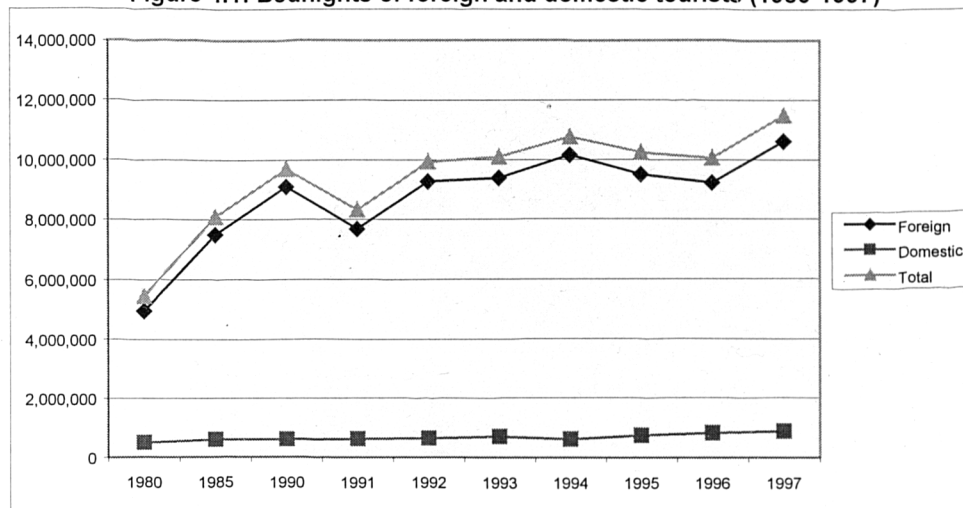
In the initial stages of the island's tourism evolution, non-institutionalised types of tourists were attracted (explorers and drifters), who, according to Cohen (1972) and Smith (1978), are the first visitors to discover most tourist receiving destinations. As Greger (1988) notes for Crete, only "small numbers of archaeologically or classically educated foreigners came on what amounted, for them, to a sacred pilgrimage" (p.112).

The number of tourists started to increase only after 1960. The reasons for the delay were mainly the distance of the island from western European countries (before the introduction of rapid air travel), the low level of infrastructure and poor communications of an island which was in a series of wars between 1821 and 1950.

Crete has recorded the largest increase in tourism bednights of all Greek regions. In 1980, the number of nights spent by foreign tourists was 4.9 million, 16.7 percent of the national total, although 17 years later, the number had increased 114 percent to 10.6 million, 26.5 percent of the national total (Table 4.1). During the same period, the increase in the number of total bednights nation-wide, was much lower (35%). The highest increase of bednights has been recorded in the Prefecture of Chania (almost 500%) and the lowest in the Prefecture of Lassithi (39%). As far as bednights of domestic tourists are concerned, they have increased only 75 percent from 1980 to 1997, with the highest increase in the Prefecture of

Chania (134%) and the lowest in the Prefecture of Lassithi (46%). Bednights of domestic tourists in 1997 accounted for only 7.6 percent of the total bednights spent on the island, although the share of Crete in Greek bednights for domestic tourism was 6.6 percent. However, any reference made to statistics of domestic tourists should be taken under concern since as Leontidou (1998, p.113) remarks domestic tourism in Greece is difficult to measure, because domestic tourists usually prefer room to let, the houses of relatives, and second homes. In 1997, the Prefecture of Heraklio recorded almost half of the total bednights spent in Crete, and Crete had a share of 21.5 percent of total bednights spent in Greece (Figure 4.1).

Figure 4.1: Bednights of foreign and domestic tourists (1980-1997)



Source: HNT0 (1998).

Table 4.1: Bednights (1980-1997)

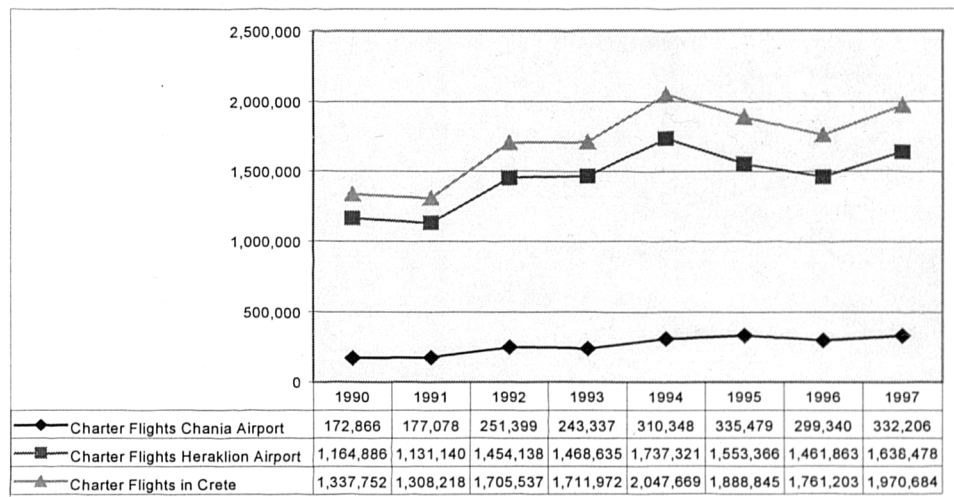
	F O R E I G N T O U R I S T S										Change		
	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	80/90	90/97	Change 80/97
D O M E S T I C T O U R I S T S													
Heraklio	2,894,270	4,192,530	4,856,579	3,990,740	4,982,842	4,682,935	5,010,581	4,303,003	4,413,687	5,382,964	68	11	86%
Lassithi	1,238,396	1,776,923	1,767,333	1,506,771	1,868,357	1,694,703	1,745,992	1,574,013	1,526,143	1,720,449	43	-3	39%
Rethymno	592,708	1,052,788	1,514,979	1,268,179	1,478,593	1,869,081	2,210,988	1,970,914	1,762,438	1,851,765	156	22	212%
Chania	277,586	469,889	967,872	922,607	960,733	1,146,380	1,191,144	1,660,878	1,539,278	1,663,484	249	72	499%
Crete	4,952,960	7,492,130	9,106,763	7,688,297	9,290,525	9,393,099	10,158,705	9,508,808	9,241,546	10,618,662	84	17	114%
Greece	29,596,704	35,709,851	36,935,049	30,739,587	37,553,491	37,186,100	41,199,694	38,771,623	35,497,515	39,996,655	25	8	35%
Crete/Greece	16.7%	21.0%	24.7%	25.0%	24.7%	25.3%	24.7%	24.5%	26%	26.5%			
T O T A L													
Heraklio	246,492	335,099	310,365	297,396	314,773	345,248	318,143	387,854	368,972	392,998	26	27	59%
Lassithi	81,572	88,276	96,578	104,523	110,875	87,819	66,474	94,531	119,928	119,082	18	23	46%
Rethymno	55,108	46,865	43,120	57,530	48,816	57,151	50,979	62,285	87,602	89,508	-22	108	62%
Chania	117,653	129,890	153,111	172,285	169,955	210,420	177,617	196,100	251,853	275,618	30	80	134%
Crete	500,825	600,130	603,174	631,734	644,379	700,638	613,213	740,770	828,355	877,206	20	45	75%
Greece	10,757,450	11,307,335	11,952,534	11,900,224	12,419,620	12,406,146	12,235,417	12,552,573	12,814,889	13,372,852	11	12	24%
Crete/Greece	4.7%	5.3%	5.0%	5.3%	5.2%	5.6%	5.0%	5.9%	6.5%	6.6%			
S O U R C E : H N T O (1 9 9 8)													
S O U R C E : H N T O (1 9 9 8)													
Heraklio	3,140,762	4,527,629	5,166,944	4,288,136	5,297,615	5,028,183	5,328,724	4,690,857	4,782,659	5,775,962	64	12	84%
Lassithi	1,319,968	1,865,199	1,863,911	1,611,294	1,979,232	1,782,522	1,812,466	1,668,544	1,646,071	1,839,531	41	-1	39
Rethymno	647,816	1,099,653	1,558,099	1,325,709	1,527,409	1,926,232	2,261,967	2,033,199	1,850,040	1,941,273	140	2	200%
Chania	395,239	599,779	1,120,983	1,094,892	1,130,688	1,356,800	1,368,761	1,856,978	1,791,131	1,939,102	184	73	391%
Crete	5,453,785	8,092,260	9,709,937	8,320,031	9,934,904	10,093,737	10,771,918	10,249,578	10,069,901	11,495,868	78	18	111%
Greece	40,354,154	47,017,186	48,887,583	42,639,811	49,973,111	49,592,246	53,435,111	51,324,196	48,312,404	53,369,507	21	9	32%
Crete/Greece	13.5%	17.2%	19.9%	19.5%	19.9%	20.4%	20.2%	20.0%	20.8%	21.5%			

Source: HNTO (1998).

An indication of the size of foreign tourist flows to the island is the number of passengers arriving by charter flights. From 1990 to 1997, the number of total arrivals by charter flights increased 47 percent. Among the two million package tourist arrivals in 1997, 83 percent were recorded at the airport of Heraklio. Although the airport of Chania achieved a four percent increase in its share of total arrivals from 1990 to 1997, still its share of total arrivals by charter flights to the island is very low (17%).

As is shown in Figure 4.2, the arrivals of tourists through charter flights, in 1991, declined due to the Gulf War. A second decline was recorded in 1995 and 1996 due to the Civil War in Yugoslavia. Both events show that Cretan tourism recovers rapidly from war in the neighbourhood countries and is resistant to political imbalances. However, after every decline in arrivals, the island has recovered quickly.

Figure 4.2: Arrivals by charter flights (1990-1997)



Source: HNTD (1998).

4.1.2 Market segmentation

Crete is considered a family resort, with approximately 42 percent of total tourist arrivals representing families with children, 38 percent couples and 20 percent singles (RITTS, 1999). It attracts mainly the younger segments of the market with

49 percent of tourists belonging to the age group 18-35, 22 percent between the age of 36-45, 18 percent 46-60, and 11 percent to the over 60 years old age group (RITTS, 1999). Due to the laissez-faire policies of the Greek government that allowed foreign tour operators to exploit the island, Crete today is dominated by package tourism. This was also encouraged by:

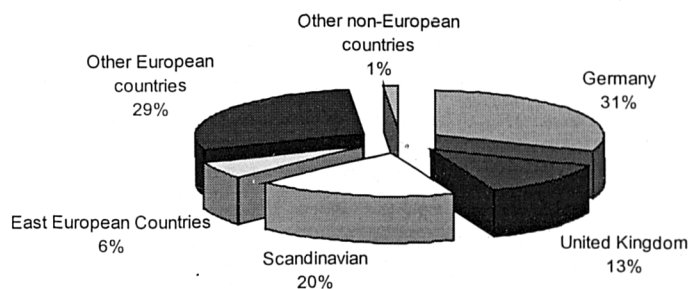
- Development Laws, e.g. Law 1262/1982 gave incentives for the construction of high numbers of low quality accommodation establishments (AEs) which attract the low-spending market segments; and
- a tourism policy based on cost leadership, e.g. frequent devaluations of the Greek Drachma (GRD), in an attempt to increase the number of arrivals through price competitiveness.

According to Horwarth (1994) in 1993, 85 percent of tourists to Crete were organised through tour operators, six percent were individual tourists and three percent conference participants. The consumption patterns of foreign tourists in Crete vary according to accommodation type, age and nationality. More specifically, expenditure by tourists staying in hotels is almost double that of tourists staying in apartments (TEI, 1998). Tourists staying in rented rooms spent even less money and tourists staying at campsites spend the least (TEI, 1998). On the other hand, older tourists spend more than younger tourists (TEI, 1998). Concerning expenditure by different nationalities, tourists from Belgium/Luxembourg together with Germans spent the highest amounts of money for the purchase of the package, followed by Russians, Finnish, Austrians and Swiss, although Russians spent the highest amounts during their stay followed by English, Finnish, Swiss, Germans and Belgians/Luxembourg (TEI, 1998). The average length of international tourists' stay is estimated to be approximately 9.5 days.

Crete has not been dominated by one nationality, although it is dominated by the European market, mainly due to the decisions taken abroad by European tour operators (Leontidou, 1994). In 1997 the majority of tourists travelling to Crete

were northern Europeans, especially Germans (32%), Scandinavians (20%) and British (13%) (Figure 4.3). Undoubtedly, East European countries offer a new potential market for the island, since they have a religious relationship with Greece, the centre of Christian Orthodoxy (Andriotis, 1995). Unfortunately, these markets, as well as others, e.g. Australians and Americans, have not been fully exploited and therefore appropriate marketing strategies are required for their attraction (Bakalis and Theodossiou, 1994; Association of Cretan Hoteliers, 1996).

Figure 4.3: Nationality classification of arrivals through charter flights in Heraklio and Chania airports (1997)



Source: HNT0 (1998).

A distinction between tourists can be made according to their needs and customs when on holiday, as Wickens (1994) identified at the village of Pefkohori (northern Greece). Her work equally applies to the types of tourists visiting Crete. These types are (Wickens, 1994, pp.819-820):

1. The 'cultural Heritage' tourists attracted by natural beauty, culture and history;
2. The 'Ravers' attracted mostly by cheap prices and the cheapness of the alcohol and nightlife, as well as the sea, sun and sand;
3. The 'Shirley Valentines'. Women on a mono-gender holiday who hope for romance and sexual adventure with a 'Greek God';
4. The 'Heliolatrous' attracted by the sea and open-air activities trying to get a suntan and typical evening entertainment;

5. The 'Lord Byron' tourists that return every year to the same destination, and sometimes to the same place and the same accommodation.

4.2 TOURISM SUPPLY – EVOLUTION AND PATTERNS

Over the last two decades, the Greek government has considered Crete a top priority area for the systematic development of tourism (Kousis, 1984; 1989). To this end, various incentives have been given for relevant investment projects. (Appendix B lists the incentives given by various Development Laws). Besides, the government has undertaken the construction of the required infrastructure. Tzouvelekas and Mattas (1995) estimated that during the 1990s, a quarter of the national public and private investments were directed to Crete, and more specifically, the highest share of investments (57.8%) were lured by the tourism industry. Due to these investments the following tourism supply has been created.

4.2.1 Tourism accommodation and other enterprises

As the literature has illustrated, tourist resorts are usually created in the vicinity of international airports and sometimes ports. Since the largest international airport and port of the island are located close to the capital of Heraklio, the first resorts of the island were dispersed in close proximity to this area (Theodosakis, 1994). In particular, the first recorded AEs were constructed in the seaside areas of Prefectures of Heraklio and Lassithi. As the dependency theorists suggest for other developing islands, so in Crete the core of the island has benefited more from tourism development, compared with the peripheral areas.

However, tourist facilities found on the island during 1960s were limited. As Basil (1964) reports only a few beds for tourists were available, in 1962. Heraklio the largest city of the island had only approximately 300 hotel beds and a further 300 beds in run-down buildings without essential services. Among the currently well-established resorts of the island, Malia had only one hotel with 40 beds, Chersonisos 44 beds in various houses, Elounta 23 beds in a one star hotel and

Matala only eight beds in rented rooms. Similarly, there were no other tourist facilities, except of very poor quality.

As Harrison (1992) asserts for the modernisation of a destination in the initial stages of development the local elite becomes an agent of change. The same happened in Crete, where the local elite played a vital role in the expansion of the tourism industry. Kousis (1984) says of Drethia (a pseudonym for a rural community in Heraklio Prefecture):

In the early 1960s, on the beach of Drethia, there was a summerhouse owned by a retired major and son of a higher status family. At that time, the first tourists made their appearance in Drethia. Since there were no facilities to accommodate them, the retired major started "hosting" them in his place. When more tourists arrived, in the next few years, he had extra rooms built as an extension of his house. This is the first tourist accommodation establishment on record in the area (pp.101-102).

Similarly in Rethymno during the 1970s, a local elite, mainly olive-oil traders, after an economic recession in the oil sector, turned their entrepreneurial activity towards hotel construction (Papadaki-Tzedaki, 1997). Undoubtedly, their choice has changed the development process of the area. Today, they own five out of the six large hotel establishments and 25 percent of hotel beds, although they own only 7.9 percent of hotel units (Papadaki-Tzedaki, 1997). Thus, the local elite had capital to invest in tourism and as a result to control many facets of the tourism development of the island, at least during the involvement stage of tourism evolution. Later, attracted by the short-term benefits, many other local entrepreneurs constructed hotels and other types of tourist enterprises.

After 1963, many of the island's resorts started to reach the development stage. The first large hotel establishment opened in 1963, the Minos Beach Hotel in Elounda, with 100 beds in bungalows. In 1965, the first Xenia was established by the Hellenic National Tourism Organisation (HNTTO). Between 1968 and 1975, many of the large hotel establishments of Crete were built and as a result during

the period 1975–1978, the number of beds in Crete more than doubled (Technical Chamber of Greece, Crete and Dodecanese Divisions, 1981).

In 1986, Crete had 736 hotel units with 50,544 beds. In 1997, the numbers had increased to 1,229 units and more than 108,000 beds. In addition to hotel beds there are thousands of beds in rented rooms. However, since rented rooms most of the time are not registered, it is a difficult task to identify their true number, although RITTS (1999) estimates that in Crete there are approximately 70,000 rented rooms, 62 percent of the total beds offered in Crete. As shown in Table 4.2, although Heraklio Prefecture has only 36 percent of hotel units, its percentage of total beds and rooms is very high (45% and 46% respectively). On the other hand, although Prefecture of Chania has 26 percent of hotel units, its share of rooms and beds is quite small (17%). Therefore, it is evident that Prefecture of Heraklio has concentrated many of the large accommodation units and Prefecture of Chania the smallest. The share of the other two Prefectures of units, rooms and beds ranges from 18 to 20 percent.

Table 4.2: Allocation of accommodation units (excluding rooms to rent and campings) per Prefecture (1997)

	Units %	Beds %	Rooms %
Chania	26	17	17
Rethymno	18	19	19
Heraklio	36	45	46
Lassithi	20	19	18

Source: HNT0 (1998).

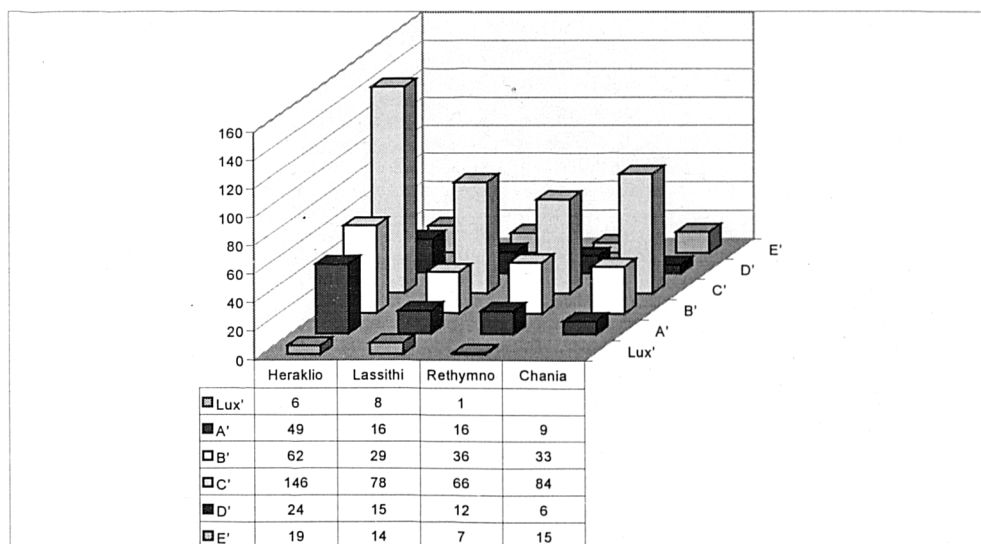
The Greek hotel classification system is different from the international 'stars' system. Generally, hotel establishments, bungalows and furnished apartments can be classified in the following categories according to their standards:

- Category LUX' ⇒ 5*
- Category A' ⇒ 4*
- Category B' and C' ⇒ 3*
- Category D' and E' ⇒ 2* and 1*

- Furnished apartments \Rightarrow 4*, 3*, 2* and 1*.

As Figure 4.4 illustrates, in 1997, the most Lux' category hotel units were located in Lassithi, followed by Heraklio. Rethymno had only one Lux' hotel, while the first Lux' hotel in Chania is under construction. As far as the other categories are concerned, the most units in all the Prefectures were rated category C', followed by categories B' and A'. However, the number of low category hotel establishments, which are usually small in size, may be higher since, according to Morrison (1998), a major statistical constraint of smaller hotel establishments is the limited registration with officialdom.

Figure 4.4: Category of hotel units by Prefecture



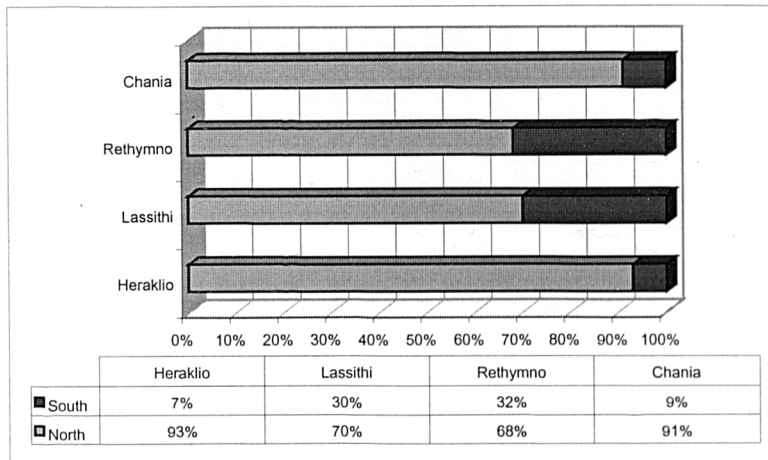
Source: HNTD (1998).

At first sight, it seems that the island targets the medium-spending markets since the majority of the hotel accommodation belongs to medium categories. However, if one considers that there are other types of accommodation, such as rooms to rent, furnished apartments and camp sites directed mostly at the end of the lower-price market, and the prices of the Lux' and A' categories hotel establishments are relatively low, compared to their European counterparts, it can be assumed that the market attracted to the island belongs mostly to the low-spending segments. Additionally, although the number of arrivals and guest-nights increases almost

every year, the occupancy rates of the hotels are not satisfactory, due to a parallel increase in new beds. As a result, hotel occupancy rates have dropped from 83 percent in 1994 to 73 percent in 1997, resulting in low profitability of the hotel sector. For example, only one third of Cretan hotel enterprises achieved a profit in 1996 (ICAP, 1997).

There is an over-concentration of units on the northern coast of the island. In 1993, over 90 percent of units in the Prefectures of Heraklio and Chania and around 70 percent in the Prefectures of Lassithi and Rethymno were located on the northern coast (Figure 4.5). Additionally, in 1993, the Prefecture of Heraklio had the highest share of rooms to rent, camp sites, car and bike rentals, and travel agencies, while the Prefecture of Rethymno had on average the lowest (Table 4.3).

Figure 4.5: Land-planning allocation of hotel units in Crete (1993)



Source: Compiled by OANAK (1995).

Table 4.3: Allocation of tourist enterprises by Prefecture (1993)

	Room to Rent %	Camp sites %	Rent a Bike %	Rent a Car %	Travel agencies %
Chania	27	28	16	19	25
Heraklio	28	33	41	53	48
Rethymno	23	17	17	9	11
Lassithi	22	22	26	19	16

Source: OANAK (1995).

The construction of hotel establishments was encouraged through incentives, e.g. interest free subsidies, untaxable allowances and extra depreciation from various

Development Laws. In total, the Cretan hotel industry attracted during the period 1982-1995, 20 percent of national investment subsidised through Development Laws (Table 4.4). The capital available was approximately 56 billion GRD, 22 percent of total investments, attributed to Development Laws nation-wide, creating 23 percent of beds and 24 percent of jobs. Regarding investments within different Prefectures, the Prefecture of Heraklio invested in larger hotel units, since although the number of new hotels was lower than Prefectures of Rethymno and Chania, the level of total investment was much higher.

Table 4.4: Subsidies through development laws to hotels from 1-1-1982 to 13-10-1995 (million GRD)¹

	No of Investments	Level of Investments	Level of Subsidy	Special Subsidies	Private Capital	No of Jobs Created	Investments / job ¹	No of Beds	Investments / bed ¹
Rethymno	132	14,881	3,937	564	9,284	1,539	9.66	8,550	1.74
	30%	27%	27%	29%	27%	26%		28%	
Chania	151	13,664	3,985	516	8,767	1,208	11.31	7,637	1.79
	35%	24%	27%	26%	26%	21%		25%	
Lassithi	57	9,198	2,695	268	5,126	890	10.33	4,940	1.86
	13%	16%	18%	14%	15%	15%		16%	
Heraklio	95	18,196	4,185	617	10,539	2,164	8.40	9,372	1.94
	22%	32%	28%	31%	31%	37%		31%	
Crete	435	55,939	14,802	1,966	33,715	5,801	9.64	30,499	1.83
Crete/Greece	20%	22%	17%	20%	26%	24%		23%	
Greece	2,180	256,078	86,960	9,669	128,706	30,449	8.41	131,361	1.95
	100%	100%	100%	100%	100%	100%		100%	

Source: Compiled by Hotel Chamber of Greece (1996).

4.2.2 Transportation – Accessibility – Infrastructure

Air transport plays an important role in the transportation of tourists to the island, since more than 90 percent of foreign tourists arrive by charter flight. Crete has two international airports operating in Heraklio and Chania, and a smaller one in Sitia for domestic flights. In an attempt to direct tourists to more regions of the island (other than the existing coastal strip of the north), the opening of the first private airport is under construction in Ierapetra, south-eastern Crete, and work is being carried out at the airport of Sitia in order to allow charter flights.

Direct schedule flights to the island from abroad are limited, although from May to November there are charter flights from many European countries. It is

¹ The exchange rates of GRD with US\$ and British pound are shown in Appendix C.

estimated that during the summer months, air traffic is so high that Heraklio airport has approximately 120 plane arrivals per day (Interkriti, 1997). In the internal flights market apart from Olympic Airways, liberalisation has resulted in flights by several domestic private carriers (Journard and Mylonas, 1999).

Recently much work has taken place to improve facilities and services at airports. The airport of Chania, after the completion of an improvement and expansion project, is a well-run airport that can handle an increasing number of flights. As far as Heraklio Airport is concerned, despite completion of a major project for expansion and a face-lift of the surrounding area, its present provision is not appropriate for the needs of the large number of tourists during the summer². Therefore, research is being undertaken into a project that would involve the lengthening of the runway.

After air transport, shipping plays an important role in the transportation of tourists to the island, mostly domestic. Crete has six ports in Heraklio, Chania, Souda, Rethymno, Agios Nikolaos and Sitia. There are sea connections with mainland Greece, quite a few of the Greek islands and Mediterranean countries. Although there are many problems regarding services provision, operation and appearance of the ports, projects are under way for their solution, e.g. enlargement and construction of two docks in Heraklio harbour and improvement of the foundation of Souda harbour.

The island's road network is neglected, a fact that has sometimes made travelling difficult. Therefore, work has begun to improve the main road axes, e.g. construction of bridges in the areas of Gournes, Chersonisos, and Malia and the resurfacing of roads in Rethymno (Region of Crete, 1995a; Nikolakakis, 1998a). These works focus on the northern national highway and have an estimated cost of 20 billion GRD. The southern part of the island lags behind development because

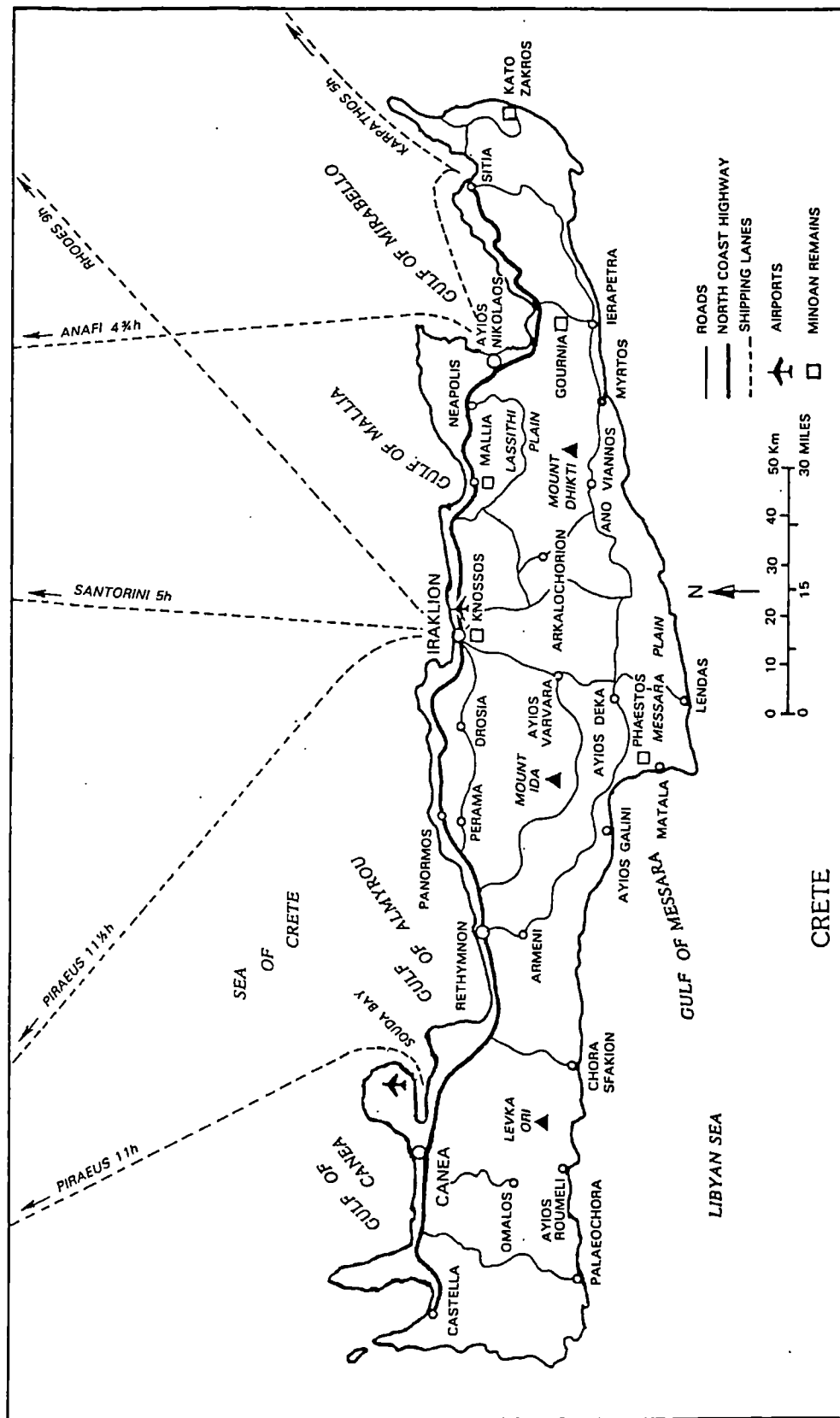
² Heraklio Airport is the second airport of the country, relative to the number of passengers (RITTS, 1999).

of access difficulties, mainly due to the bad road network connections and the mountains (see map 4.1). An exception is the Prefecture of Lassithi where road construction is under way.

Telecommunications are problematic in many tourist areas during the summer peak season. In addition, areas of the island have severe electric power shortages and insufficient quantities of water. As a result, the local population and entrepreneurs sometimes have to buy water from water-wagons. As Clark et al. (1995) highlight if the number of tourists continues to increase in the urban zone of Chania, additional water will need to be imported to meet the increasing demand, making water supply more expensive for consumers. On the other hand, there are places without any biological system to purify the liquid sewage that is thrown into the sea without treatment. Fortunately, projects for the construction of various dams and water barriers, the use of softer forms of energy, the provision of better water supply, sewage system and biological treatment plants have been undertaken through EC funding (Region of Crete, 1995a). For instance, the EC (1999b) estimated that by the summer of 1999 no more untreated sewage will be discharged into the sea along the heavily populated coastal strip of northern Crete. The results are encouraging since the number of “blue flags” awarded to the island has more than tripled from 1991 to 1998 (WWF, 1998).

Moreover, there are facilities for special interest holidays including diving, cycling, horse riding and golf. The first golf course in Crete, functioning 12 months a year is in the area of Elounda, and there are plans by local authorities for the construction of five more courses in an attempt to differentiate the tourist product, attract higher income tourists and expand the tourist season. However, the island has no casino due to delays from the Greek State to grant leave for the construction of one.

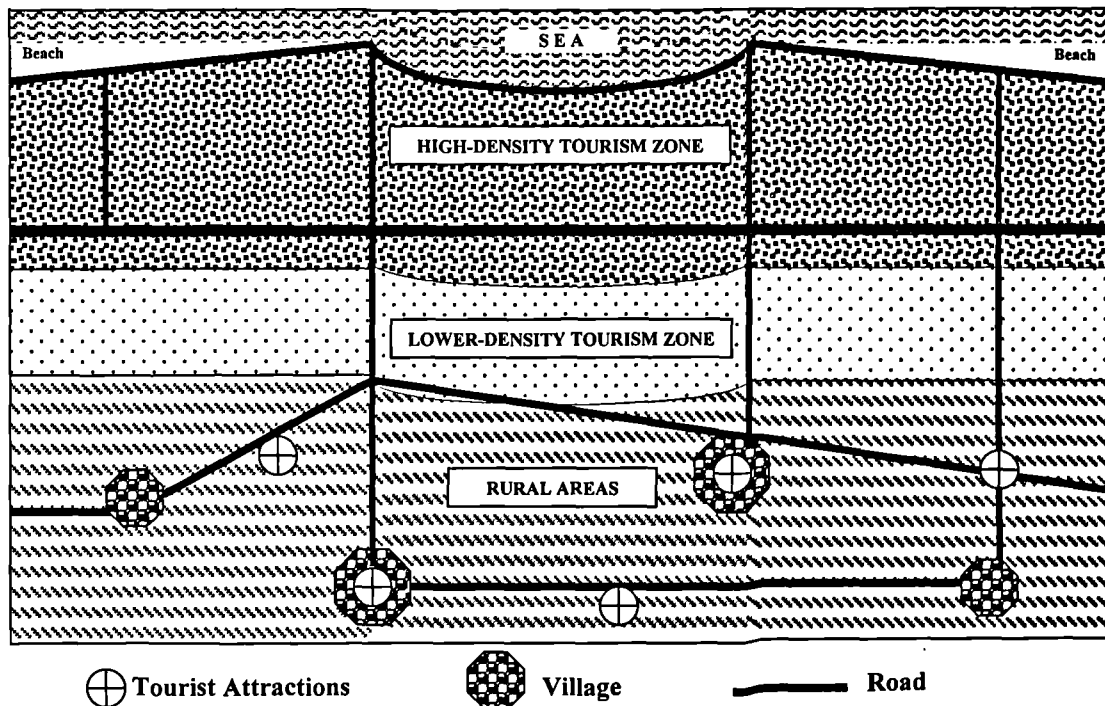
Map 4.1: Crete



4.2.3 Coastal resorts morphological transformation

Because of the increase in tourism activity, especially on the northern coast, there has been a tremendous transformation of coastal areas. The high concentration of buildings has transformed many seaside villages into urban space, as models in Chapter Two illustrated for other tourist resorts (e.g. Young, 1983; Meyer-Arendt, 1990; Smith 1992a; Weaver, 1993). Undoubtedly, fishing villages, such as Chersonisos, Malia and Agios Nikolaos, have lost their authenticity and architecture due to the easy and quick profit from mass tourism development (AHTE, 1995). In Crete, as in all coastal resorts, the nucleus of development is the beachfront (or sometimes a small fishing port). This is then surrounded by various zones which is the 'outer area of influence' and contain facilities and services which support tourism (Dredge, 1999). Through observation of various resorts of the northern coast of the island, the following zones of tourism activity can be identified (Figure 4.6):

Figure 4.6: Morphological zones of unplanned Cretan coastal resorts



Source: Author

High-density Tourism Activity Zone. This zone is separated from the beach by a road or a promenade, where for the convenience of tourists, limited vehicular access is allowed. Many cafes and restaurants, hand in hand with Cretan art, leather goods and goldsmith's shops create a Recreational Business District (RBD). In the RBD small AEs are located, and some others are found on back streets. The RBD becomes extended in both directions from its initial core where larger hotels and second homes exist. As a result, a virtual non-stop ribbon development of hotels and other types of tourist enterprises stretch along the coast. Apart from the promenade, there is a main street where restaurants, bars, souvenir shops, and services are located and it is the major street for access to the resort and transfer to and from the airport and the urban centres of the island. In many resorts on the island, the RBD is also on this street, since the traditional promenade is absent and the beachfront is occupied by accommodation establishments and bar/restaurants, often build as close as possible to the sea.

Beyond the High-density Zone is the **Lower-density Tourism Activity Zone.** Residences for locals and imported workforce occupy the major part of this zone, as well as small AEs, mostly rooms to rent. In addition, other types of modest enterprises catering to the budget market and the locals can be found. Roads are very narrow, pavements almost non-existing, and parking spaces scarce making everyday life difficult for locals.

The final zone is the **Rural Zone.** Although the high and low-density zones provide the focus of arrivals and tourism activity, other rural places are also visited, usually on day trips. A network of arterial roads connects the resort with other resorts, natural tourist attractions, archaeological sightseeing and villages that often attract tourists on day trips. Nevertheless, the economy of rural areas is mainly directed to farming and small industry, although tourism (with limited exceptions) is a secondary activity.

Since the above zones have formed without any planning there is a lack of green areas and a subsequent mix of land which has meant that it is possible to put a

loud disco next door to a residential area, or an electric power station next to a hotel. Although the above zones are evident in seaside resorts of the island of Crete, they are also found in other Mediterranean resorts, for example on the Spanish island of Ibiza.

4.3 OUTCOMES OF TOURISM DEVELOPMENT

4.3.1 Economic outcomes

Before the introduction of tourism, the Cretan economy was directed towards agriculture like most of the Greek regions (Kousis, 1984; Tsartas, 1992). Today, tourism, together with agriculture are the island's largest earners of foreign exchange. Thus, in line with the diffusion paradigm, there was a movement from the 'traditional' agricultural sector into the modern – tourism oriented sector. Nevertheless, in contrast with other island regions in Greece, where there is a monoculture towards tourism, Crete has a healthy balance between growth in agriculture and tourism, even if investment is currently geared more towards tourism (Eurostat, 1994). However, regional imbalances have been accentuated with the northern part of the island, mainly developing intense urban and tourist activities, and the southern and central part directed towards agriculture, with tourism supporting only a small part of the economy.

In 1997, around 2.5 million tourists visited the island, creating incomes of approximately 500 billion GRD (Xrima & Tourismos, 1998). On average each tourist spent 365,349 GRD (TEI, 1998). It is estimated that 42 percent of this expenditure was paid to foreign tour operators for the purchase of the tourist package (transport and accommodation). Of the remaining 58 percent, 24 percent was spent on shopping, 17 percent on catering, 12 percent on local transportation and five percent on services (TEI, 1998). However, it is noteworthy that as Leontidou (1998) remarks evaluation of economic impacts of tourism in Greece is complicated by the lack of specific studies. Official data underestimates foreign exchange receipts, as they include only foreign exchange transactions recorded by

the Bank of Greece, and as a result they are much lower than actual tourism consumption, which very often is unofficial (Singh, 1984; Leontidou, 1998).

Due to the significance of tourism for the island's economy, during recent decades all Greek governments have used tourism to correct the economy's problems namely controlling the large budget deficit and the public sector's borrowing requirements, and to improve the decaying infrastructure. Incomes from the tourist industry together with EU aid for the financing of major projects have allowed the country to balance its foreign payments. However, the significance of tourism for the island cannot be proven from tourism's contribution to the balance of payments, since Crete as an insular region of Greece, has no independent balance of payments accounts and its foreign trade is aggregated with that of the other 12 Greek regions to form the composite of Greek balance of payments. Therefore, the term balance of payments cannot be directly applied to the island. In addition, much tourist information is included statistically within services and cannot be isolated. As Table 4.5 shows, the share of the tertiary sector increased by nine percent between 1981-1991, mainly due to increased tourist arrivals, since tourism is a part of the tertiary sector. For the same period in Greece, the increase of GNP in the tertiary sector was only four percent. However, any reference to the census must be taken cautiously due to the length of time elapsed between 1991 and the research period.

Table 4.5: GNP per sector (Census 1981, 1991)

	1981		1991		81/91 change
C H A N I A					
Primary	1,109	27%	1,319	24%	-3%
Secondary	881	21%	915	17%	-4%
Tertiary	2,123	52%	3,248	59%	7%
Total	4,113	100%	5,482	100%	
R E T H Y M N O					
Primary	604	30%	672	23%	-7%
Secondary	438	22%	524	18%	-4%
Tertiary	987	49%	1,662	58%	9%
Total	2,029	100%	2,858	100%	
H E R A K L I O					
Primary	2,144	25%	2,411	20%	-5%
Secondary	2,000	23%	2,329	20%	-3%
Tertiary	4,364	51%	6,999	60%	9%
Total	8,508	100%	11,739	100%	
L A S S I T H I					
Primary	988	34%	1,011	29%	-5%
Secondary	502	18%	566	16%	-2%
Tertiary	1,370	48%	1,954	55%	7%
Total	2,860	100%	3,531	100%	
C R E T E					
Primary	4,845	28%	5,413	23%	-5%
Secondary	3,821	22%	4,334	18%	-4%
Tertiary	8,844	50%	13,863	59%	9%
Total	17,510	100%	23,610	100%	
G R E E C E					
Primary	59,516	15%	62,786	13%	-2%
Secondary	133,214	33%	147,380	30%	-3%
Tertiary	214,307	53%	283,838	57%	4%
Total	407,037	100%	494,004	100%	

Source: Athanasiou et al. (1995).

In 1995, public sector income from tourism activity in Crete was approximately 65.5 billion GRD (Lagos, 1996). Although the public sector, through taxation provides better services and infrastructure, there are cases where taxes have had an adverse effect on the island's tourism industry. For example, an arrival tax on passengers for the financing of a new airport in Spata, Athens, provoked "an immediate outcry and a threatened boycott by tour operators" (EIU, 1994, pp.142-143).

Unemployment in Crete in 1991 was at 5.5 percent, 3.1 percent higher than 1981 (Table 4.6). Table 4.7 presents a declining proportion of employment in the primary sector, although employment in the tertiary sector, including tourism, increased from 32 percent in 1981, to 50 percent in 1991. Therefore, tourism in

Crete has been seen as the panacea for employment creation and was used by the Greek government as a strategy to reduce unemployment rates. As a result, in 1991 because of employment opportunities in the island's tourism industry, the unemployment rate was 2.6 percent lower than the national total. However, unemployment rates were higher in the Prefectures of Chania and Heraklio where the major urban centres of the island are located. In 1997, it is estimated that the percentage of unemployment in Crete had fallen to 4.8 percent, although in Greece it had increased to 10.3 percent (NSSG, 1999). In the future, Glytsos (1999) estimates that unemployment rates will increase in Greece, with the exception of Crete, due to its flourishing tourism industry and the efficient agriculture. Therefore, if no movement of workers into Crete takes place, labour shortages will result.

Table 4.6: Total workforce and percentage of unemployment (Censuses 1981, 1991)

	1981		1991		81/91 change
	Workforce	% of unemployed	Workforce	% of unemployed	
Chania	45,642	2.8	50,834	7.1	4.3
Rethymno	27,951	2.1	27,378	4.9	2.8
Heraklio	90,851	2.2	103,577	6.8	4.6
Lassithi	28,730	2.6	29,396	4.1	1.5
Crete	193,174	2.4	211,185	5.5	3.1
Greece	3,543,797	4.4	3,886,157	8.1	3.7

Source: Athanasiou et al. (1995).

Table 4.7: Employment by sector (Censuses 1981, 1991)

	1981	%	1991	%	81/91 change
Crete					
Primary	95,856	51	64,563	32	-19
Secondary	33,119	18	35,099	18	-
Tertiary	59,585	32	99,813	50	18
Total	188,560	100	199,475	100	
Greece					
Primary	988,737	29	698,738	20	-9
Secondary	1,032,258	31	907,474	25	-6
Tertiary	1,367,522	40	1,965,745	55	15
Total	3,388,518	100	3,571,957	100	

Source: Athanasiou et al. (1995).

Direct employment in the Cretan tourism industry increased from five percent in 1981 to 8.1 percent in 1991 (Athanasiou et al., 1995). However, Leontidou (1998) identifies a major difficulty to the construction of an accurate indicator of direct

employment in tourism, namely that all tourism sectors, except hotels, serve local residents as well as visitors. However, since there are no data regarding the number of undeclared employees and the people that have indirect employment in tourism, the real contribution of tourism to employment creation cannot be stated, although the Region of Crete (1995a) estimated that approximately 40 percent of the island's population is directly or indirectly involved in the tourism industry.

The number of hotel employees in 1993 was 14,123 (Theodosakis, 1994). This number covers only the employees declared to the Insurance Agency of Hotel Employees (TAXY), in August of the same year. As a result, it does not include non-registered family members, ex-patriate employees without any work permit and employees in undeclared AEs. If all these were included, the number would be much higher. For example, Papadaki-Tzedaki (1997) found that in Rethymno 73 percent of hotel establishments surveyed had one or more undeclared family members working full or part time but receiving no payment.

Among hotel employees, half were working in Prefecture of Heraklio, although the proportion working in Prefecture of Chania was the lowest (10%) (Theodosakis, 1994). Since the share of hotel beds in Prefecture of Chania was approximately 17 percent, it is evident that this Prefecture has smaller properties with a small ratio of employees per bed. In particular, the ratio of employees to beds in the large hotels of Rethymno is from 1:3 to 1:4.5, although the ratio for smaller hotels is from 1:8 to 1:20 (Papadaki-Tzedaki, 1997). In addition to hotel employment, tourism created vacancies in a number of other businesses, namely restaurants, folk art and jewellery shops, among others (Andriotis, 1995).

Employment in the Cretan tourism industry is highly seasonal. However, most of the tourism workforce in Crete would be unable to find a job in any other economic sector and thus seasonal employment is better than unemployment (Mourdoukoutas, 1985). In practice, employment in the tourism industry is challenging. Mourdoukoutas (1988) asserts that in Greece the average hourly wage in tourism is 6.4 percent higher than in non-seasonal occupations. In

addition, the income of seasonal tourism employees during the off-season is supplemented with unemployment compensation from the state. Therefore, one third of seasonal tourism employees do not want to work during the off-peak season even if they had the opportunity to have the same job at the same wage for that season (Mourdoukoutas, 1985).

In Crete, many tourism employees have a second job mainly in agriculture, as Papadaki-Tzedaki (1997) found in Rethymno. In autumn and winter, the reduction in tourist arrivals is compensated for by the harvest and processing of the main crops of the island - olives (Papaioannou, 1987; Mourdoukoutas, 1988). In spring maintenance and repair of tourist properties absorbs a large number of the unemployed. As a result, there is a seasonal balance in incomes, as well as a kind of multiple employment between tourism and agriculture.

Massive tourism development on the island has attracted migrants/immigrants and expatriate labour (Papadaki-Tzedaki, 1997). Lazaridis and Wickens (1999) identify two major types of migrant workers in the Greek tourism industry, "consisting of a replacement labour force, filling the undesirable, low paid menial jobs in the primary and tertiary sectors, which have recently been deserted by Greeks" (p.634), including the Albanians, who enter the country illegally because of poverty and high unemployment in their country, and the Western tourist-workers, who as EU citizens, enter the country legally during the summer season attracted by the good life and the climate (Lazaridis and Wickens, 1999).

As AHTE (1995) remarks in Chersonisos (a mass developed resort), the local population is approximately 4,000. However, the incoming workforce is estimated at approximately 10,000. Although most of this workforce is Cretan, coming from other parts of the island, there is a high share of non-Cretan workforce, many in managerial positions. In Rethymno, Papadaki-Tzedaki (1997) indicates that although 78 percent of hotel employees originate from the Prefecture of Rethymno, as far as management is concerned, only 42 percent come from Rethymno. Herzfeld (1991) highlights that in Rethymno, no entrepreneurs operate

during the winter, since the vast majority return to their hometowns. Mourdoukoutas (1988) estimates that in Crete 77 percent of total employees in tourist establishments are all-year residents, and the remaining 23 percent come from other regions of Greece just for the summer tourist season.

Because of tourism expansion, land prices have increased making the life of some locals harder (Greger, 1985). In 1993, the value of one stremma³ in Rethymno was equal to the value of 120 stremma during the early 1970s (Papadaki-Tzedaki, 1997). Thus, no entrepreneurs from Rethymno have bought the expensive shorefront shops in Rethymno (Herzfeld, 1991). Similarly, Kousis (1989) asserts that in Drethia, between 1965 and 1972, outsiders purchased a large part of the coastal land. "The vendors, local families were usually obliged to give up their fields, either through expropriation laws or because of their impoverished status" (Kousis, 1989, p.322). Since the sale, construction of large hotels started and locals started to sell their labour for construction and tourism related jobs.

4.3.2 Social outcomes

The concentration of the tourism industry in the north coast of the island has created serious problems to the social life of many communities. The problems from mass tourism were evident even during the first years of tourism evolution as one of the early development plans, the Glikson Report (1965, cited in Komilis, 1987) states:

The arrival and stay of tourists with low income and social or moral values creates problems. There are tourists, in order to secure money for living, commit various statutory criminal offences, such as mugging, larceny, pushing drugs etc. (p.306).

Through contact with tourists, social problems have been created and the social values and habits of the local community and especially young people have changed. According to the Glikson Report (Komilis, 1987):

³ 40 stremma = 1,000 m² = 0.24 acres = 0.1 hectare.

The behaviour of foreign tourists, based on social and moral prototypes totally different from those prototypes of the host local community, had an unfavourable impact on the behaviour of the average local citizen. Specifically, there are cases whereupon a young man residing in the village, whose daily employment is to look after the sheep, deserts his family in order to seek employment in the city as a waiter, a dancer in night clubs, a male escort etc. (p.307).

The differences in residents' perceptions and customs between tourist-dependent communities and communities not dependent on tourism are evident. For example, Tsartas et al. (1995) compared tourist developed areas in Lassithi with a non-tourist area (Tzermiado) and found that residents of tourist areas were more understanding about the negative impacts of tourism in society, e.g. nudism, AIDS and drug consumption, and tended to disregard their own customs, e.g. they attend the church services less frequently, compared to residents of the non-tourist developed area.

Kousis (1989) reported that in Drethia, since the rapid growth of tourism, young women and men have more sexual freedom. The relationships between local men and female tourists have revised local moral codes, applied only to male Cretans, who were systematically dating foreign women, instead of local women who were not allowed to date (Kousis, 1989; Stott, 1996). As a consequence of the liberated behaviour of many foreign female tourists coming to the island on holiday, men become promiscuous (in Greek, known as sexual fishing; *kamaki*) (Castelberg-Koulma, 1991; Zinovieff, 1991; Wickens, 1997). However, there are cases where men 'marry their victims' (Leontidou, 1994). Many Cretans have married people from European countries and, as Kousis (1989) states, all European women in Drethia married to locals were once tourists. When AIDS was commonly acknowledged, foreign female tourists marched in Cretan resorts in protest against the sexual attitude of local males. Thus, almost half of the women in Lassithi blame female tourists for most quarrels between married local couples that often lead to divorces (Tsartas et al., 1995).

Through tourism, many young women have received more widespread control of decision-making within families and became autonomous as wage earners or business owners. In Anoya, a Cretan mountain village, tourism was seen as a new economic activity that entered village life and many women with manual looms opened small shops, where they could sell their products to tourists (Saulnier, 1980). Since the number of tourists was not sufficient for the sales of increasing production, outside merchants bought the products and resold them to the tourist centres. Nevertheless, women are employed in lower status jobs, since, although in 1996, 64 percent of all hotel employees in Rethymno were women, only 20 percent held managerial positions (Papadaki-Tzedaki, 1997).

Tourism evolution resulted in the abandonment of traditional agricultural and craft-related occupations because tourism-related jobs were perceived as generating higher income and more attractive (Haralambopoulos and Pizam, 1996). Professions, such as cobbler, tailor, dairyman and traditional coffee-house keeper have been replaced by modern ones. Likewise, Kousis (1989) found in Drethia, that with the arrival of tourists, “the number of farmers decreased dramatically, while those for small shopkeepers and wage earners increased considerably” (p.332).

Once contact with tourists has developed, the local population demands different kinds of foreign product, previously consumed only by tourists. In particular, per capita consumption of local wine and raki (the local spirit) has diminished and foreign/imported drinks, such as beer, whisky, and vodka have replaced them (Wickens, 1994; Moore, 1995). However, Papadopoulos (1988) argues that other agencies apart from tourism contribute to demonstration effects in Greece, such as the media, television and newspapers, as well as emigrants and the thousands of Greek students studying abroad.

As a result of mass tourism development, Cretan hospitality and local patterns of interaction have reduced, and relationships with tourists are a kind of commodity. Tourist enterprises often tout for customers giving the impression that local

residents are servants of tourists. As Herzfeld (1991) asserts, since tourism is an easy and fast source of money, there are cases where Cretan shopkeepers do not spend their time and money to treat their customers in the way they used to.

Nevertheless, residents of Lassithi do not see tourists as the cause of problems and are not annoyed when they encounter them during the summer on the beach or on public transport (Tsartas et al., 1995). Similarly, residents of Magoulas, a Cretan mountain village, like to offer their hospitality and enter into dialogue with foreigners since the encounter with them brings new ideas into their lives (Greger, 1985). As a result, a survey by AHTE (1995) indicates that 90 percent of foreign tourists found local residents to be friendly and helpful.

Tourist spending on crafts, souvenirs and the like contribute to the preservation and, sometimes, the revitalisation of traditional arts and crafts, as well as folklore, local fairs and festivals on the island. From studies undertaken in Rethymno it is evident that although the image of the area is one of a package destination, tourists are interested in the culture and buy textile items (Archodakis and Tzanakaki, 1997; Atlas, 1997). In effect, the local municipality and the local tourism industry support initiatives for the promotion of cultural activities, e.g. through courses in textile promotion. Other folk-art crafts, made by Cretans and sold in the local shops of the island, include basket-weaving, wood sculpture, knifemaking, ceramics and leather. Although it is claimed that because of tourism expansion, host communities lose their authenticity and their customs, the Cretans have kept many of their local habits and tradition, they still sing traditional songs, play traditional music instruments and dance local dances (Areia, 1996).

Of the 600,000 island inhabitants (Eurostat, 1999), equivalent to 5.3 percent of the national total, it is estimated that 70 percent are concentrated in the northern part of the island. Thus, the southern coast where tourism is under-developed witnesses serious depopulation, because of the migration of a large proportion of their economically active population to the urban centres of the island (mainly Heraklio) and to fast growing resorts during the summer season. For example,

Tsartas et al. (1995) remark that the population of Tzermiado, in Lassithi, has decreased 20 percent since the 1980s due to the out-migration of young people to the tourist areas. Despite this, Rudman and Mortzou (1993) claim that life exists in the islands hills and mountains “providing a back-drop to village life and the agricultural industry” (p.31).

4.3.3 Environmental outcomes

Crete has remarkable natural resources. Its coastline totals 1,300 km (7% of the country's coastline), 15 percent of which consists of sandy beaches. Approximately 48 percent of Cretan land is mountainous, plains cover 23 percent of the land, and the remainder is semi-mountainous. Crete has 1,624 native plant species of which around 8.6 percent are endemic and the fauna amount up to 1,000 species (Anagnostopoulou et al., 1996). The recorded caves on the island number 3,500 and there are 100 gorges (Anagnostopoulou et al., 1997; Tourism Agency of Crete, 1997). Since the manipulation of environmental resources by the tourism industry and the public sector does not always follow orthodox routes (Nikolakakis, 1998b) there is a danger of environmental degradation. The concentration of package tourists to the northern part of the island, the lack of land use planning, the uncontrolled building construction, the lack of waste and garbage management and the insufficient infrastructure (e.g. transportation and parking spaces) have all resulted in serious environmental problems. The increasing population together with increased tourism activity have become a point of concern due to continuing resource scarcity, e.g. water and electricity.

Some luxurious hotels in Elounda and Agios Nikolaos, perhaps the most luxurious in Greece, are located beside rented rooms and small hotels of poor architecture (Tsartas et al., 1995). As a result, the uncontrolled and unplanned development in some areas devalues the Cretan tourism image and natural resources, and dilutes the quality of tourist attractions. More specifically, Hopkins (1977) reveals:

From a conservationist viewpoint there have been many obvious mistakes. Hotel siting has been uncontrolled and careless, with many landscapes focused to accommodate quite unsuitable buildings (p.235).

Although, villages along the coastal tourist strip have received a financial boom because of tourism evolution, their human and physical ecology is under considerable threat (Greger, 1988). Greece has almost no zoning system and land registry system. Therefore, for many years, one could build any type of accommodation as long as modest building restrictions were met (Peterson and McCarthy, 1990a). Unfortunately, it is proven that once an “unauthorised-literally, arbitrary” construction has been erected, no one will tear it down (Herzfeld, 1991). As a result, there is a highly visible physical transformation of the island as the building of more and more tourist enterprises dot the landscape.

Many beaches are private, and the linear development of large AEs along the coast has reduced beach accessibility for many customary users (Leontidou, 1998). Besides, fires have destroyed large areas of forests or forest-like areas; many located in coastal areas. Very often these areas, due to lack of control, are converted into pastureland and eventually become built and urbanised (YPEXODE, 1998). The degradation or loss of such resources is certain to affect tourism itself. On the other hand, according to EIU (1990):

Disposing of the huge amount of refuse and sewage generated by each summer's tourists is already a major problem for many Greek municipalities. Many of the countries' beaches have become littered with indestructible refuse left by both tourists and Greeks (p.61-62).

Additionally, unrestricted human activity in the Mediterranean basin, and the concentration of many tourist installations and operations directed to the package tourists, have contaminated the sea.

The Cretan local community is aware of environmental problems and expresses its indignation. In particular, Kousis (1999) examined local incidents of social

demonstration in the Prefecture of Heraklio, and found that 54 out of 369 cases were directly related to tourism activity. They mainly involved problems, such as noise pollution, hotel waste and ecosystem disturbances. Various non-governmental organisations (e.g. WWF) are opposed to further tourism development in order to safeguard some of the island's underdeveloped resources.

In recent years, many projects have been launched for the preservation of environmental resources. In particular, three areas of the island have been included in Natura 2000, for the protection of the loggerhead turtle (*Caretta caretta*). Moreover, two out of the four selected LIFE projects in Greece, for 1998, were implemented in Crete. The first project had as a target the reinforcement and re-establishment of measures for the bird species lammergeier (*Gypaetus barbatus*), and the second the restoration and extension of the only natural palm forest in Europe, Vai, which in the 1950s was covering 300 ha, and today only 12 ha remain (EC, 1998a).

Furthermore, an increasing number of tourist enterprises use environmental standards and practices in an attempt to attract an environmentally-aware clientele and increase profit in the long-term. For example, Grecotel was the first Mediterranean hotel group which, in 1992, formed an environmental department (Bouyouris, 1998). Environmentally-friendly initiatives adopted by the hotel chain include preservation of turtle-breeding, saving water and energy, reduction of refuse, pollution control, using suppliers which provide eco-friendly and organic products, and public awareness programmes to reduce beach litter and sea pollution (Field, 1997; Bouyouris, 1998; Middleton and Hawkins, 1998). Other hotels on the island have recognised the role of the environment for future generations and have adopted sound environmental "green" practices, such as the biological treatment of wastewater, and Reduce/Reuse/Recycle practices (Hellenic Travelling, 1996; Diamantis, 2000).

Tourism in Crete can be a stimulus for the preservation of the island's national pride. Because of the location of Crete at the crossroads of sea-routes for the

eastern Mediterranean, it carries a long history that dates back to the 7th millennium BC (Tzamoutzakis, 1994). It has many historical monuments of perfect architecture from all periods, from the Minoan civilisation (2600 BC-1150 BC) to the religious Byzantium. The island's architecture has been influenced by a constant change in conquerors, such as Arabs, Venetians and Turkish, together with local architectural tradition (Areia, 1996). It has approximately 25 archaeological sites, 20 museums, 25 Byzantine monasteries, 860 Byzantine churches, Turkish mosques and Venetian public buildings and castles.

By utilising the funds generated from admission fees, many endangered local arts and natural and cultural heritage can be better preserved. It is generally agreed that the preservation of the environment and the monumental architecture in Crete attract tourists and therefore help to reinforce the island's economy. In 1993, approximately two million people visited the main archaeological Minoan sites of Knossos, Festos, and Agia Triada and the museum of Heraklio, creating an income of 1,160 million GRD (Region of Crete, 1995a). In 1993, the Greek government spent approximately 180 billion GRD on culture, over 75 percent of which was spent on archaeological heritage (Kalogeropoulou, 1996). Because of tourism, the island has received higher bounties compared to other Greek areas, and services, facilities and infrastructure, e.g. telecommunication, transportation, health, water-supply etc., created for tourists are also used by the local community.

4.4 CONCLUSION

Crete has a competitive advantage in tourism when compared to most Mediterranean destinations. It has everything that a major tourist-receiving destination should have plus celebrated history and monuments, natural beauty and the hospitality of the Cretan people. New investments to build up the tourist industry favour the local economy, and tourism today plays a major role in generating income and employment, the expansion of other industries' output, public sector revenue, interruption of emigration, promotion and development of cultural facilities and international co-operation and relations. As a result, Cretans

today are better off than their ancestors, although many problems have resulted from uncontrolled tourism development and the domination of the island's tourism industry by package tourism.

A pivotal role in tourism development during the early phases of tourism development was played by the local elite, although later some investments were made by non-Cretans. Thus, development was not autonomous since some capital has been invested by expatriates and a high degree of dependency exists on foreign tour operators. Development conforms with the diffusion paradigm, since socio-economic structures have changed, the society has lost some control of local resources and some internal structures have been replaced by Western European structures. Similarly, the economy saw a shift from traditional agriculture to tourism orientated. However, in comparison to other island destinations worldwide, e.g. the Caribbean and Pacific islands, local control of development is high in some tourism sectors, mainly in accommodation and sea transport. However, regional imbalances exist with almost half of the island's tourism industry concentrated in the Prefecture of Heraklio and very low tourism activity on the southern part and the hinterland of the island.

To sum up, Crete is the most dynamic Greek tourism destination with great potential for further development of the tourism sector. Cretan hospitality and the abundant resources of the island allow the island to satisfy many kinds of tourist preferences. Unfortunately, many Cretan areas have experienced over-development with negative environmental and social impacts emerging from uncontrolled planning, lack of co-ordination and insufficient involvement of the private sector and the local community in the planning process, as the next chapter highlights.

CHAPTER FIVE: TOURISM-RELATED PLANNING IN CRETE

5.0 INTRODUCTION

From the previous chapter, it was evident that for too long the focus of tourism policy in Crete was directed towards unlimited growth in an attempt to maximise economic benefits. Tourism development was directed to the increase of arrivals through the increase of the numbers of beds, rather than the attraction of better quality tourists and the provision of a better quality product (Anagnostopoulou et al., 1996). As a result, a number of environmental and socio-cultural problems emerged (presented in the previous chapter), as well as many other deficiencies, such as seasonality, high competition, dependence on tour operators and a black economy, demanding immediate intervention for their solution. To eliminate these problems and maximise benefits, tourism policy and planning have turned to the promotion of alternative forms of tourism and large-scale development (Region of Crete, 1998). However, strategies are contradictory and ill managed, and public sector action lacks co-ordination and effective planning (Komilis, 1987; 1992; Leontidou, 1998).

According to Wilkinson (1997b, p.14), the pattern of tourism development in a particular receiving destination cannot be understood without an examination of that destination's plans and policies for resources and the environment in general. Therefore, the aim of this chapter is to evaluate past and current tourism plans and policies relating to tourism development in the study area and to investigate the way they influence the development of the island and the local community perceptions. This chapter presents data related to the major problems faced by the island's tourism industry and require intervention, it proceeds to a historical review of tourism policies, plans and development laws, it evaluates the role of local, regional and national government, European Community (EC), international organisations and the local community's in tourism decision-making and

implementation of plans, and finally, it presents the outcome and output of tourism planning for the island.

5.1 REASONS FOR INTERVENTION

The island has undergone extensive tourism development. While market forces have benefited the local community, they have not produced all the desired outcomes but have resulted in a number of costs that require intervention.

5.1.1 Seasonality

Crete has a high seasonality problem, stemming from the fact that during the high summer season, tourist facilities are utilised to capacity, while during the low season they are under-utilised and during the winter are almost unused. In 1997, almost 80 percent of the bednights on the island were recorded between May to September. As Drakatos (1987) stated, seasonal concentration has considerable implications for the competitiveness of the island's tourism industry, as well as for the cost of the tourist product. Nevertheless, tourist arrivals in Crete show a lower seasonal concentration compared to other Greek islands. As Donatos and Zairis (1991) found, the Cretan tourism season lasts from April to October, whereas for most Greek islands it lasts from May to September. In addition, Tsitouras (1998) stated that for the period 1991-1995, seasonality in Crete reduced by 9.7 percent and charter flights to the airport of Chania takes over six months a year, and for the airport of Heraklio for 6.3 months. For other Greek airports, the charter flight season lasts for less than 5.5 months with the exception of Athens (6.8 months) and Rhodes (6.1 months).

5.1.2 Dependence on tour operators

Although the island is a mixture of civilisations and cultures from the past, the rapid increase in bed supply and the high number of competing destinations in the Mediterranean has led to the island being used by tour operators as a cheap sea,

sun and sand destination. In effect, tour operators play a crucial role for the island's tourism industry because they determine tourists' choice through advertising and promotion and due to the trend toward inclusive tour packages organised exclusively in origin countries. As a result, there is an increasing dominance of tour operators in the Cretan tourism industry, reflecting high external influence on the island's tourism industry. Since "the demand for tourism services is highly elastic with respect to price" (Truett and Truett, 1987, p.185), in order to maintain high profit margins, tour operators put fierce pressure on hoteliers to keep prices down (Bird, 1995). As Dighe (1997) remarks for a long time, major tour operators have treated Greece as a secondary cheap destination that sells always very well but late in the season. On the other hand, hoteliers are forced to quote the offered prices to tour operators in Greek Drachma (GRD), rather than on international currency, negating the benefits of fixed prices (Gibbons and Fish, 1990).

5.1.3 Competition

Increased competition in the world tourist market and the changing preferences of tourists have revealed weaknesses in the competitiveness of the Cretan tourism product. Although Crete can guarantee tourists 'the ideal tanned body' during the summer season, the offer of the sun-sea-sand-sex product and rich heritage and nature cannot sustain competitive advantage. In addition, the recent policy of the strong Drachma has kept down the competitiveness of the Cretan tourist product (ICAP, 1997). In an attempt to attract a higher market share, the government was forced, in March 1998, to devalue the GRD by 14 percent. However, the emergence of other cheap destinations in north Africa (Morocco, Tunisia) and the eastern Mediterranean (Egypt, Turkey, and Syria), mean that Crete is not as cheap as it used to be compared to its competitors (EIU, 1990; HNTD, 1997; Buhalis, 1998). Additionally, other Greek destinations offer similar products at the same price increasing competition. Consequently, Crete can no longer compete effectively on price, pursuing cost leadership, as it did in the past.

5.1.4 The political environment

Since 1975, political stability has been a fact in Greece, and tourist arrivals have flourished. A crucial year for the development of Greece was 1981, when Greece joined the EC. Greece is also a member of OECD, NATO, the Council of Europe, United Nations, WTTC and the WTO. However, externally political and economic problems have resulted from the Libya-United States dispute in 1986, the Gulf War in the 90s, as well as terrorism in the Middle East, and the disintegration and subsequent civil war in the former Yugoslavia in 1995-1996. All these resulted in tourist cancellations and loss of foreign exchange for the island. Thus, tourism demand for Crete appears to be subject to political imbalance in Mediterranean and Balkan countries.

5.1.5 Black economy

A black economy (parallel economy) exists in Greece, equal to approximately 29 percent of the Gross National Product (EIU, 1995), the highest among member states of European Union (Williams and Windebank, 1995). This underground economy is revealed by a considerable number of undeclared unlicensed units and rooms, known as 'parahoteleria' increasing bed supply, evading taxation and operating without control and regulations (Leontidou, 1991; Apostolopoulos, 1994). The large black economy on the island may increase the bias of official data since statistics are not available for undeclared establishments and unregistered employees. As Leontidou (1998) remarks:

Given intense segmentation and illegality, tourism has been underestimated in Greek economic statistics. Undeclared activities confuse data matrices and there is a hidden economy in tourism, which is far more pronounced than in other consumption or production sectors (p.115).

The plethora of these establishments provide low quality services and facilities at reduced prices, and undoubtedly downgrade the Cretan tourism product, as well as

the competitiveness of the destination. Despite the efforts of the public sector to control this phenomenon, e.g. the five-year plan 1983-1987 and Law 2160/93, the problem is still considerable (Andriotis, 1995).

5.1.6 Other weaknesses

Crete as an insular region has an accessibility disadvantage when compared to mainland regions, because of a need for tourists to add a transportation cost, by sea or air. On the other hand, there are few direct schedule flights to Crete from European cities. Therefore, for a conference in Crete, participants must add on the additional expense of a transfer to a domestic flight through Athens (Conway, 1996). Thus, Crete has competitive disadvantage in accessibility for the conference market compared to other larger cities in Greece, e.g. Athens and Salonica, as well as other European destinations (Conway, 1997). Similar problems exist for the attraction of independent tourists from abroad.

The island has many hotel and tourist schools (STE, TESTE, TEI and ASTEAG) and a well-qualified workforce available to provide services to tourist enterprises. However, the attitude of some entrepreneurs is not helpful, since quite often they prefer to hire an unskilled workforce in order to avoid the payment of an extra 7-15 percent allowance. On the other hand, there is no Masters level course in hotel and tourism management in Crete and therefore many students have to travel abroad to complete their studies. Additionally, there is a lack of expertise in some professions, e.g. related to alternative forms of tourism. Due to the above limitations, there is a lack of professional management, experience, and training of the entrepreneurs and tourism employees (Briassoulis, 1993; AHTE, 1995).

5.2 THE GOALS AND STRATEGIES OF TOURISM PLANNING

In the past, tourism policy in Crete aimed exclusively at tourism growth without apparent thought to the natural and cultural environment and the needs of the local community. Although development did not follow the enclave form, there was a

high concentration of tourism activity in some resorts on the northern coast of the island. Besides, tourism development planning was contradictory, sometimes encouraging small-scale development for the benefit of the local population, since large-scale developments were considered to drain local income and were more capital intensive, and sometimes encouraging large-scale in order to attract affluent markets and eliminate the problem of black economy. However, there was no clear tourism strategy or focus on any specific segment of the market, or significant attempt to differentiate the tourism product and obtain a distinctive competitive advantage.

As a result, negative effects on the quality of services and the host community's life emerged, resulting in the provision of a low quality tourist product, addressed only at a low-income mass market, highly concentrated in time and place. To eliminate the problems that have emerged from unplanned and disorderly development, and to meet the new requirements of tourism demand towards 'environmental' tourist destinations, regional tourism policy, over the last decade, highly influenced by national policy, has focused on the following objectives (Region of Crete, 1995b; Anagnostopoulou et al., 1996; Region of Crete, 1998):

- maximisation of tourism's contribution to the economy;
- conservation of environmental and cultural resources;
- upgrading and diversification of the tourist product; and
- better seasonal and geographical distribution of tourism activity.

It should be recognised that the first two objectives are contradictory since economic growth might occur at the expense of natural and cultural resources. However, this conflict is evidenced by the fourth objective (even distribution in time and space), as well as through some of the following strategies and programmes (Region of Crete, 1995b; Anagnostopoulou et al., 1996; Region of Crete, 1998):

- attraction of an upmarket clientele by targeting the high spending segments of affluent markets;
- improvement and provision of infra- and superstructure;
- provision of better quality tourist services;
- promotion of new-alternative forms of tourism;
- promotion of new destinations away from traditional coastal resorts;
- training and education of professionals involved in tourism, as well as the inhabitants of the island, in an attempt to raise awareness of sustainable living patterns; and
- co-ordination of all bodies involved in tourism.

After many years of tourism policy focused on cost leadership through a promotion of a tourist product directed at low spending power (the mass, sun-sea-sand market segments), the tourism strategy over the last decade has focused on diversification of the tourist product, e.g. through the improvement of infrastructure and services, as well as on the attraction of new market segments, mainly for alternative forms of tourism. Concurrently, there is a turn to sustainable forms of development as an attempt to improve the tourism image of the island, distribute benefits from tourism development more evenly across the island and achieve a balance development of resources.

5.3 IMPLEMENTATION OF TOURISM PLANNING

In 1992, the European Union (EU) Treaty at Maastrich, Agenda 21 in the Rio Conference of United Nations and the EC Programme of Policy and Action in relation to the Environment and Sustainable Development' (5th Environmental Action Plan) have listed as principal objectives the protection of the environment and the promotion of sustainable development (EC, 1993b). In 1996, three International Organisations – the WTTC, the WTO and the Earth Council joined together, and based on the Rio Declaration on Environment and Development, launched an action plan entitled 'Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development' (WTTC, 1998). The aim of

this action plan is to protect the natural and cultural resources of the tourism industry, which are the core of its businesses and to ensure sustainable development for the communities and countries in which the tourism industry operates (WTTC, 1998, p.2). Crete as an insular region of the EC has to conform to the objectives subscribed to by the EC and to orient any human activity and development towards sustainability.

Under Natura 2000 and Agenda 21, plans have been designed in co-operation with the local authorities and businesses with the main objectives to increase awareness in tourists and locals, and induce the local population, especially the young people, to remain in mountain areas through promotion of alternative livelihood opportunities, such as eco-tourism, mountain tourism and agro-tourism (Agenda 21, 1998). As a result, conservation solutions are provided that can be easily implemented by the local community and at the same time reduce the need for further legislation regarding protection (Arapis, 1998) and reverse the trend of concentrating tourism on the coast. In particular, under the LEADER program, in Psiloritis (a mountainous area) attempts are being made to associate tourism with traditional farming activities by promoting agro-tourism (EC, 2000a).

In order to achieve balanced development within the Single European Market and to reduce the development gap separating Crete from other more developed regions, the EC finances projects on the island through various programmes (shown in Appendix D). The most important initiatives of the EC in the field of tourism are covered by the European Regional Development Fund (ERDF), although two more funds, the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF), play a secondary contribution mainly in favour of employment and agro-tourism development (Wanhill, 1996).

Crete is estimated to have received approximately 340 billion GRD from EC programmes in the period 1986-2000, of which, only two percent will be given directly to tourism (Table 5.1). Nevertheless, tourism projects can be supported by

other measures, e.g. environment, rural, urban, local and infrastructural development. Regarding the share of funds in each Prefecture, it is evident that the larger Prefectures receive the higher proportion of funds, although funds are not totally linked to the number of inhabitants in each Prefecture.

Table 5.1: Development plans and programmes with European co-financing - Payments and commitments (1986-2000)¹

	Heraklio	Lassithi	Rethymno	Chania	Total
Local Development	6,463	1,046	416	2,274	10,198
	63.4%	10.2%	4.1%	22.3%	3.0%
Services in Small and Medium-sized Enterprises					2,391
					0.7%
Infrastructural Development	40,198	13,598	16,853	36,402	107,052
	37.6%	12.7%	15.7%	34.0%	31.6%
Agricultural Development	8,578	15,458	5,119	9,947	39,102
	21.9%	39.5%	13.1%	25.4%	11.5%
Environment	13,653	9,169	17,403	20,328	60,552
	22.5%	15.1%	28.7%	33.6%	17.9%
Human Resources	34,712	4,964	3,827	25,423	68,927
	50.4%	7.2%	5.5%	36.9%	20.3%
Tourism	996	2,654	2,387	1,016	7,054
	14.1%	37.6%	33.8%	14.4%	2.1%
Industrial Infrastructure				5,876.05	5,876
				100%	1.7%
Urban Development	4,075	1,298	2,972	4,562	12,908
	31.2%	10.1%	23.0%	35.3%	3.8%
Productive Investments	10,975	3,249	4,688	5,741	24,653
	44.5%	13.2%	19.0%	23.3%	7.3%
Technical Support					486
					0.1%
Total	119,650	51,436	53,666	111,569	339,199
	35.3%	15.2%	15.8%	32.9%	100%

¹ million GRD

Source: YPEXODE (1997).

In Greece, plans for regional development are instigated by the public sector mainly the Ministry of National Economy and the Centre for Planning and Economic Research (KEPE). Implementation is the responsibility of the Planning Services of the Ministry of Interior although funding is given through the EU and the State's budget (Pavlopoulos and Kouzelis, 1998). The policies of the Greek Government for tourism as a means of development are shown in the five-year plans for economic and social development (Appendix E). According to Konsolas and Zacharatos (1992), "the five-year plans state the general goals for the national economy, as well as the particular goals for the regions of the country which must

be fulfilled through the touristic development of the country” (p.58). As a result, there is a kind of conventional national planning by planners located a long way from the island and plans are incapable of dealing with situations faced locally by the tourism industry and the communities of the island (Komilis, 1987; Moore, 1992; EC, 2000b).

Since 1996, Greece has had no Ministry of Tourism due to the government’s decision to accord the tourism portfolio a development priority, together with the Ministries of Industry, Energy and Technology and the Ministry of Commerce (Presidential Decree 27/1996), by incorporating it in the Ministry of Development. Since then, tourism policy for the island is a prerogative of the Hellenic National Tourism Organisation (HNTO), under direct supervision of the *Ministry of Development*, with funding from central government. For physical planning, as well as environmental protection the *Ministry of Environment, Physical Planning and Public Works (YPEXODE)* is responsible. However, there is a myriad of agencies involved in the planning and implementation of environmental programmes. Fousekis and Lekakis (1996) estimate their number to be over 50 and more than 150 pieces of legislation.

Other ministries with tourism-related responsibilities include: the *Ministry of Agriculture*, responsible for the promotion of agro-tourism, the management of national parks and outdoor recreation and the implementation of several projects of LEADER; the *Ministry of Culture*, concerned with arts (financing of national galleries, theatres, opera, drama, and festivals) and national cultural heritage (conservation and revitalisation of traditional settlements, historical buildings, museums and ancient monuments); the *Ministry of Interior*, responsible for the tourism police, collection of tourism data and co-ordination of local services. Other ministries with some tourism activities include: the *Ministries of Commercial Shipping, Transportation, Public Safe, and Employment*. For the implementation of their policies, some ministries have regional departments located on the island, falling under “the financial and administrative jurisdiction of the respective central ministries” (Anagnostopoulou et al., 1996, p.32).

For many countries, the National Tourism Organisation (NTO) is the major body responsible for tourism promotion. In Greece, the HNTTO is responsible for the planning, implementation and promotion of tourism, the co-ordination of all bodies involved in tourism, as well as of public and private services, legislation, inspection and the provision of licenses for tourist enterprises, provision of information, research, manpower training, the creation of infrastructure and the operation of tourist facilities and services. The HNTTO has a Head Office in Athens and 28 overseas offices. (Appendix E illustrates the organisational structure of the HNTTO). In total, the HNTTO has 3,000 employees of which only 126 are in the offices abroad. While many of the offices abroad are successful in tourism promotion, the central HNTTO headquarters in Athens has seemed distant and preoccupied with bureaucracy and political infighting (Moussios, 1999, p.43). Therefore, Moussios (1999) criticised them for “lack of realistic long-term planning, the failure to co-ordinate actions with interested parties from the private sector, and a lack of consistency in policies and responses” (p.43).

In Crete, there is an HNTTO Directorate in Heraklio and three regional offices in the main touristic areas of the island. Responsibilities of the Directorate include the inspection of tourist enterprises and the provision of tourist information. However, as mentioned above, Greek tourism policy is highly centralised, and therefore the role of the Directorate is limited, simply an outpost without any autonomy, with the central HNTTO office in Athens being responsible for nearly all decisions about tourism on the island (Komilis, 1987; Buhalis and Diamantis, 1999).

Most of the time, there is a lack of co-ordination between the HNTTO and other bodies involved in tourism (Anagnostopoulou et al., 1996). Although the HNTTO and Ministry of Agriculture have responsibility for the construction of facilities within forests and mountains in order to promote agro-tourism, there is no systematic collaboration between them. There are only limited exceptions. For example, in the past the YPEXODE and the HNTTO, before the abolition of the Ministry of Tourism, collaborated and established committees to resolve problems

of common concern related to planning. This collaboration has resulted in the amendment of planning legislation, e.g. Law 797/1986 that declares 'Areas of Controlled Tourism Development' and 'Saturated Tourist Areas' (Anagnostopoulou et al., 1996). However, collaboration only in land planning is not enough. There is a need for collaboration in more issues concerning the tourism development of the island.

Although the HNTTO has some involvement in the operation of tourist facilities and services, and tourism may not be viable without the support of the public sector, the major share of finance, development and operation of tourist facilities and services is undertaken by the private sector. The interests of the private sector are expressed through trade association, which at the national level include the Panhellenic Association of Hoteliers, the Association of Greek Tourist Enterprises (AGTE), the Hellenic Association of Travel and Tourist Agents (HATTA), the Hotel Chamber of Greece (XEE) and the Greek Shipowners. Associations can be found at the regional level, e.g. the Hoteliers Association, Travel Agents Association etc. All these associations are non-profit-making and their main aim is the promotion of tourism and the enhancement of the product offered. Therefore, they participate in tourist exhibitions in Greece and abroad and distribute promotional material.

In the past, there were cases (although limited) where the public and private sectors collaborated successfully. For example, one such collaboration was related to the expansion and improvement of Chania airport. As Nikolakakis (1998a) asserts the whole project shows that "if resources are available and the public and private sector work together great things can happen" (p.16). Nevertheless, the private sector finds it quite difficult to deal with the public sector partly due to little understanding of its needs, the lack of an effective forum dealing with tourism matters and the complexity, bureaucracy and lack of co-operative mechanisms (Komilis, 1987; Anagnostopoulou et al., 1996).

Although the private sector is sometimes consulted about tourism matters, most of the time the public sector does not implement their recommendations in tourism policy and planning (Hellenic Hotel Chamber, 1998). Due to a lack of synergy, state attempts to entice foreign tourists to visit Crete during the winter were not successful, despite the great potential of the island for the expansion of its tourism season (Donatos and Zairis, 1991; OANAK, 1995). Only recently, a plan for 12-month tourism was designed in an attempt to mitigate the seasonal concentration of tourism activity. This plan attached major importance to publicity, the co-ordination of all participant action, and the provision of incentives to Cretan enterprises, airlines and tour operators (Unique Hellas, 1997). A pilot programme (1998-99) was designed with the co-operation of the HNTTO, the Region of Crete and a large group of businessmen (hoteliers, travel agents and Greek tour operators) (Xenios, 1998).

Many non-governmental organisations (NGOs) dealing with environmental issues have been established in Greece. Lekakis (1995) estimates their number to be over 100. Kousis (1994) reports that over 100 environmental movements of NGOs were recorded in the ecological press in Greece during the period 1982-1992. However, the public sector bodies, with minor exceptions, (e.g. the entrusting of the EU programme of Blue Flags to the Hellenic Society for the Protection of Nature by the HNTTO) do not collaborate with, and consult NGOs, in tourism projects (Anagnostopoulou et al., 1996).

Apart from the above agencies a principal body for the development of the island at regional level is the Region of Crete, responsible for the construction of infrastructure and the development of the island's economy through the planning and implementation of EC programs, mainly Regional Operational Programmes (ROP). It is governed by the Secretariat of the Region and chaired by the General Secretary, who is appointed by central government as a representative and administrative head and as a result is supervised by it.

Other public bodies located on the island and having a major role for tourism development include the Prefecture Councils and the Local Governments (OTA). Both are elected in an attempt of public participation in tourism planning and development. They are mainly responsible for the management of local affairs. In particular, Prefectures are involved in tourism activities within their territory, although according to Law 2160/93, their main concern towards tourism is the promotion of the product. In order to play the role of promoter; Law 2160/1993 requires each Prefecture to establish a Committee of Touristic Promotion. The major aim of each Committee is to elaborate regional tourist promotion plans destined for inside Greece, as well as abroad, and to implement them following approval by the HNTD (OECD, 1996). Representatives of the island's tourism associations participate in the Prefectural Committee of Touristic Promotion. Prefectures are financed by central government for the promotion of tourism. In 1996, Crete received 100 million GRD (12% of the national budget) for tourism promotion (Pavlopoulos and Kouzelis, 1998). OTAs have the responsibility for a broad range of policies and programmes for the development of their municipality. More specifically their activities include infrastructure, creation of social and cultural facilities, organisation of cultural events and festivals, refuse collection and disposal, urban development, town planning, traffic management, as well as commercial, industrial and manpower development.

Although the island has regional and local governments, the planning process for tourism development is controlled by external actors other than the locally elected governments (Lekakis, 1995). The lack of autonomy in the decision-making of the islands' future impedes the accomplishment of an integrated regional policy (Anagnostopoulou et al., 1996, p.32). For example, although central government is obliged to consult OTAs in the decision-making process prior to taking any action related to local physical planning and environment, when disagreements arise, the law allows central government to circumvent OTAs' objection by adducing special reasons (Fousekis and Lekakis, 1996). As Lekakis (1995) states:

The lack of financial strength influences to a large extent the locally elected governments' political will, administrative capacity, and networking with outside organisations (p.22).

There are Local Development Companies, such as the Eastern Crete Development Organisation (OANAK) which is a Societe Anonyme with the state being the main shareholder. It enjoys administrative and financial autonomy although it is supervised and audited by the Ministries of National Economy, Finance and YPEXODE. It is responsible for the implementation of many EC programmes and projects, such as RECITE, INTERREG, ENVIREG, LEADER and LIFE.

Whilst there is collaboration between the public sector and entrepreneurs on occasion, local residents are never asked about their desires and needs. One major component of the tourist product, the local community, has been neglected in decision-making. The bottom-up approach, through the involvement of the local population in the development process, has not been adopted in tourism planning, and the top-down process has overlooked local community's desires. In particular, the EC (2000b) reports that in Greece, because of central administration in Athens, the formulation of development plans do not reflect the needs of communities. The only attempt at considering local community's needs and public participation in tourism planning is made by elected members in the public sector, and improvement of urban environment and living conditions, e.g. projects associated with transportation, water, sewage and waste disposal.

The administrative system is extremely complex, diverse, and fragmented. Myriad bodies have varying degrees of tourism responsibility. Since, there is no systematic and regular collaboration between the bodies involved in tourism development, the establishment of a new special body responsible for the co-ordination of all the actions of the public and private bodies, as well as a stable tourism policy was essential. As a result the Tourism Company of Crete was created, funded solely by ROP. Its participants include all the immediately

interested parties from the public and private sector of the island. According to Xenios (1998) it aims:

At the scientific-technocratic support of the tourist structures of the private and the public sector, the unified expression and the development of Cretan tourism, the processing of policies and propositions of tourist interest and, in general, the co-ordination of all the activities that carriers or private companies create, in a way that they form for Crete a strong point of reference, in the international tourist market, strengthening its presence and its negotiations position (pp.68-69).

5.4 THE CONTENT OF TOURISM PLANNING

From the literature review three different tactics emerge influencing tourism development: development incentives, laissez-faire policies and disincentives/barriers to tourism development. In Crete, the first two were evident in the past, although during the last decade has seen some types of disincentives, as the following sections highlight.

5.4.1 Carrying capacity and manipulating tourism demand

Due to the increase in the number of arrivals and because for too long the government has provided incentives for tourism development even in congested areas, the carrying capacities of some areas have been exceeded (Nikolakakis, 1998b). Therefore, during the summer, population concentration is high, and degradation results in the natural ecosystem, as well as other problems in organisational structures, infrastructure and services. As a result, for the first time in Greek history, Development Laws (1892/90, 2234/94, and 2601/98) have identified saturated areas where no hotel construction is allowed and provided incentives other than increasing bed capacity.

In Greek tourism policy, there were limited attempts to manipulate tourism demand. Because of the 'neutral or non-interference attitude' of the HNTD and public administration towards the activities and practices of international tour

operators, the quantity and the quality of tourist visitation was left uncontrolled. The reason for this was the desire to maintain and promote good relations with tour operators, because of the recognition that their dominant power can move tourism demand to other destinations that better fulfil their expectations (Komilis, 1992).

In relation to tourist supply, very often entrepreneurs were left to establish enterprises, sometimes encouraged by various Development Laws. Even when control policies and restrictions for the development of AEs had been formulated, they were disregarded by investors who proceeded to build illegal constructions contributing to an increase in the informal tourist accommodation stock (Komilis, 1992). Ill-managed tourism policies, resulted in a tremendous increase in the number of arrivals and the construction of AEs, as the previous chapter shows.

5.4.2 Characteristics of the economy

In the early stages of tourism development, the local elite played a pivotal role in tourism development, although later a share of bed ownership accrued to outside investors. The extent of non-Cretan ownership is not known and it is not easy to quantify, although Papadaki-Tzedaki (1997) reports that in Rethymno 87 percent of hotel establishments are totally owned by locals and therefore the dependence on metropolitan centres is lower compared to other destinations. Crete has no Hilton, Marriott or Sheraton hotels (Moxham, 1989) and the largest hotel chain in Crete (and Greece) "Grecotel", with 22 hotels and a total capacity of approximately 11,000 beds, is Cretan-owned and operated. The situation is different for tourist shops and catering establishments. Many shops are rented to non-locals residing in the island during the tourist season. Local entrepreneurship is widespread in other facets of the industry. For example, the four major shipping enterprises of the island (Minoan Lines, Rethymniaki, LANE and ANEK), and one of the major airlines for domestic flights (AirGreece), are Cretan-owned and operated.

However, the tourism industry has not managed to create linkages with many of the other economic sectors. Briassoulis (1993) remarks:

The lack of vertical integration among the productive sectors of the Greek economy, their strong dependence on imports, and the lack of promotion of Greek products reduce the real value of the tourist exchange flowing into the country (p.295).

As Greger (1985) notes, the demand from tourists for cheap crafts has forced Cretan shopkeepers to sell goods that are not ethnic, although attractive. Since there are no factories in Crete to produce them, they are produced mainly on the Greek mainland or abroad. Similarly, the island has no production of heavy engineering, transport equipment and manufactured goods, e.g. cars, television sets, and most of the machinery and utensils, used for the operation and the construction of the tourism enterprises, are imported.

Most fresh local agricultural and cattle production is consumed in the hotels and restaurants of the island, but the large hotels, in order to reduce costs and to be more competitive, buy a large amount of food products from outside the island (Papadaki-Tzedaki, 1997). For instance, frozen meats are bought in high quantities in order to benefit from economies of scale. Since frozen meats are not available on the island, they are purchased from other Greek and foreign markets (Papadaki-Tzedaki, 1997).

The tourist income multiplier has been estimated for Greece at 1.2-1.4 (ETBA, 1991). Although there are no data on the multiplier effects of tourism in the Cretan economy, the tourist multiplier might be slightly lower. However, it is considered that the demand for commodities and services by the tourism industry is met better by a strong and diversified economy (as Crete is the largest Greek island and the fifth largest in the Mediterranean, after Sicily, Sardinia, Cyprus and Corsica) compared to other smaller islands, e.g. Aegean and Cyclades islands (Loukissas, 1977; 1982; Komilis, 1994). In summary, the Cretan economy heavily relies on the tourism industry for its prosperity, mainly because a handful of other

regional sectors, especially agriculture, commerce, transportation, construction and services, are strongly related to tourism (Tzouvelekas and Mattas, 1995).

5.5 THE OUTPUT OF TOURISM PLANNING

Tourism in Crete was not a planned activity, but the establishment of the island's resorts followed the typical pattern of many other islands worldwide. Following the construction of the first accommodation establishment, the island successfully attracted tourists, and as a result the construction of more accommodation and other tourist facilities emerged in an ad hoc manner.

When tourism development started in Crete, the private sector saw its potential, although it was neglected by the government, which did not see it as an economic development strategy (Kousis, 1984). As a result, tourism started as an unplanned activity without any concern for environmental preservation, zoning, research, education and awareness of the indigenous population about the tourism industry. A laissez-faire process of development emerged without any control of tourism activity, and as a result planning was almost non-existent in line with the tradition of boosterism. During 1970s government realised the potential of tourism for the island and provided incentives for tourism development, but planning was entirely market-led directed toward the creation of facilities to satisfy increased tourism demand, ignoring emerging problems and the qualitative elements of the tourism product.

Ramsaran (1989) identifies two types of planning: planning as a process and plans as documents that are never formulated. The second type of planning is evident in Crete. A consequence of the lack of regulations and planning of tourism expansion was the proliferation of the problems mentioned above and the need for intervention. Although some plans were designed for the development of the island (Appendix G), in general they have not been implemented due to the lack of a clear structure of authority, centralisation of administration and the lack of public sector co-ordination. There was no commitment towards long-term

planning of the island's tourism industry. In effect, public sector services have tended to be more directed to routine duties rather than the promotion of tourism development.

5.6 THE OUTCOME OF TOURISM PLANNING

Past tourism policy in Crete aimed exclusively towards tourism growth without sufficient thought for the natural and cultural environment and the needs of the local community. As a result, the number of beds (hotel beds, apartments, and rented rooms) per 1,000 habitants has increased tremendously (479%) between 1971 and 1991 (Table 5.2). A higher increase can be found in the Prefecture of Rethymno, whereas in the Prefecture of Lassithi the increase of number of beds per 1,000 habitants was lower. In Greece, the ratio is less than one third of Crete.

Table 5.2: Total beds per 1,000 habitants

	1971	1981	1991	71/81 Change %	81/91 Change %	71/91 Change %
Chania	30	58	140	194%	240%	467%
Rethymno	21	130	329	609%	253%	1567%
Heraklio	50	148	240	299%	162%	480%
Lassithi	130	255	404	197%	158%	310%
Crete	52	138	249	264%	180%	479%
Greece	27	51	74	191%	145%	274%

Source: Compiled by Pavlopoulos and Kouzelis (1998).

The tremendous increase in tourism supply and arrivals has resulted in negative effects on the quality of services and host population life, contributing to the provision of a low quality tourist product, addressed only to a low-income mass market (OANAK, 1995). However, world tourism demand is changing rapidly. Consumers are increasingly turning towards 'environmental' tourist destinations (Diamantis, 2000). To meet these new requirements, and to eliminate the problems having emerged from unplanned and disorderly development, regional tourism policy has moved towards a quality-orientated and "greener" approach by controlling development in areas already saturated (OECD, 1996). After many years of unplanned and sometimes haphazard development, policy has brought

about a virtual freeze on the construction of new tourism accommodation. Only a minimal increase in beds is allowed, under the condition that they will be accompanied by a parallel major exercise in upgrading amenities and services that will bring distinct benefits to the industry as a whole, or it will offer a new product which constitutes an additional attraction for visitor flows especially during the shoulder and off-season months (OECD, 1996). As a result, a form of diversification strategy is attempted through a product-led approach to tourism planning that promotes infrastructure, facilities and services better integrated locally and resulting in higher economic returns. At the same time policy encourages rational growth of under-developed areas in the central and southern part of the island in an attempt to balance socio-economic development (Region of Crete, 1998). Nevertheless, it would be a pity to see those 'virgin' areas developed in a similar manner as on the northern coast.

Government also promotes the establishment of integrated development tourist areas (POTA) that will have the necessary infrastructure, such as marinas, convention centres, golf courses, spas and thalassotherapy centres. For example, such an investment, perhaps the biggest foreign investment in Greece, will take place in the area of Toplou, and it is estimated to provide 3,000 jobs in an area with a high unemployment rate (Hope, 1998). Although at first sight large-scale developments are considered beneficial because they attract higher spending tourists and generate more income and employment, they imply a greater reliance upon non-Cretan capital than at present, the employment of ex-patriate staff and higher leakage of money. Moreover, local authorities motivated by the most recent Development Laws have made plans for the construction of golf courses. The encouragement of such investments is seen as a means of promoting high-income tourism. However, they might place undue burden on the island's scarce water resources and will demand qualified staff, which might call for incoming workforce.

Concurrently, government continues to promote and approve the construction of large-scale hotels, although simultaneously promoting alternative forms of

tourism. However, alternative forms of tourism look for small-scale developments. Only the transformation of traditional buildings into hotels proposed by the last Development Laws may be compatible with the aim of protection of the environment and attraction of alternative forms of tourism since such establishments target small numbers of low impact tourists.

Recently the public sector has attached major importance to the cultural promotion of the island, in an attempt to change the image of Crete from a sea, sun and sand destination to a destination of cultural and historical significance that can attract high class tourists (Williams and Papamechael, 1995; Kalogeropoulou, 1996). To date, the island has focused on mass tourism. Although eco-tourism and nature-based tourism are an integral part of recent tourism policy, the only means used for their promotion is provision of infrastructure in areas of ecological beauty. Unfortunately, due to the necessity of a drastic reduction in the governmental budget deficit, the amount of public money spent on tourism is modest in comparison with the budgets of other competitive destinations. Limited financial assistance means that little can be done for the achievement of the above objectives, and the only attempts are directed toward environmentally sound investments mainly in infrastructure, through EC co-finance.

For too long, Greek governments have had no clear and consistent policies and priorities for tourism development. In effect, the General Secretary of the HNTTO changes on average twice a year. Sometimes there is a Tourism Ministry; sometimes tourism is a part of other Ministries. Consequently, policies change very often and “do not interrelate and thus produce further conflicts, or, usually, they are withdrawn for revision shortly after they have been introduced” (Komilis, 1987, p.329). However, tourism is a ‘profit-making operation’ and in order to maximise return on investments it should be run as a business. A bureaucratic system is of no use, if the island wants to compete effectively in the world travel market. Bearing in mind that the HNTTO has been unsuccessful as an entrepreneur, many HNTTO properties (i.e. hotels, casinos, and marinas) have been transferred to the private sector, through long-term leasing. The main responsibility of the

private sector will be to undertake the financing of the installation and modernisation or the construction of new works (OECD, 1992; 1996).

Until recently, technocrats have made many mistakes mainly in forecasting demand. For instance, Law 1262/82 granted permission to the construction of too many, low quality AEs, leading to an oversupply of rooms and subsequent low occupancy rates. Additionally, there is a “clientelistic” relationship between political parties and citizens (Argiropoulou, 1990; Makridimitris, 1993; Kousis, 1994; Henry and Nassis, 1999), which has led to “mediocrity, a lack of motivation in personnel and, more importantly, an inability on the part of the public services to meet citizens’ expectations” (Kufidu et al., 1997, p.245). Business, financial and other interests seek to influence political decisions and tourism has been used by most politicians as a political vehicle to gratify voters (Koutsoukis, 1995; Buhalis and Diamantis, 1999). In particular, the distribution of public sector jobs is influenced every time a government or even a Minister changes (Kousis, 1994; Josephides, 1995; Buhalis, 1998) and due to political differences, central and local governments do not co-operate sufficiently. As a result, there is insufficient co-ordination and unity of policy among the various public agencies (Leontidou, 1991).

“Civil servants are permanent, and have their own priorities, connections and relationships” (Elliot, 1987, p.227). Permanency has led to a poorly-motivated staff and decision-making is time-consuming and hierarchical. To a large extent, civil servants react to problems as they arise rather than having long-term objectives for tourism development, and low quality services and delays in plans implementation ensue. Therefore, very often policies are reactive rather than proactive. Slowness due to bureaucracy results in delays in the approval of special budgets. For instance, the Prefectural Committees of Tourism Promotion complain of delays in receiving state funding for their promotional activities. As the Hellenic Hotel Chamber (1997) states, the 1997 promotional campaign of the HNTO started in late January, although the campaigns in competitive countries started much earlier.

Journard and Mylonas (1999) note that although the Greek economy has made great strides in the improvement of its economic situation since 1990, when it comes to structural reforms mostly related to the public sector, it lags behind most other OECD countries. Various deficiencies, such as “lack of streamlined procedures, little use of new technologies and modern management techniques, and a large number of staff without the necessary skills” (EC, 1998c) render the actions of the public sector ineffective due to duplication and contradictory actions. Therefore, “the Greek Civil Service has been severely criticised as being unresponsive, incapable of dealing with the new challenges and as being the main retarding force in the modernisation of the Greek economy” (Kufidu et al., 1997, p.245). Although the Greek government, in order to eliminate these deficiencies, has made a series of institutional arrangements, such as restructuring public enterprises, decentralising and simplify bureaucratic procedures, reforming personnel management policies and overall modernising services (Kufidu et al., 1997, p.245), Journard and Mylonas (1999) believe that much remains to be done.

The EU has an influence on the policy of its member states but failed to develop a European approach to tourism as each of its members adopts a different tourism policy (Hughes, 1994). In Crete, the availability of EC funding clearly acts as a catalyst for change and development and contributes to the enhancement of the environment. However, Moussios (1999) criticises the Greek government machinery for slowness in absorbing available EC funds. Unfortunately, due to bad management and inadequate co-ordination of regional and national tourism programmes with EU relevant ones, many opportunities for tourism projects are missed. This is mainly due to the lack of a strategic master plan for the island’s tourism development and a comprehensive tourism policy. Therefore, projects accomplished under different EU programmes, cover the same areas and sometimes do not reflect the policies of the Community for environmental protection. For example:

HNTO financed, within the framework of the Operational Programmes, work to correct damages resulting from earlier work financed by other programmes. Specifically, a yachting marina was built with the assistance from an Integrated Mediterranean Programme (IMP) without its impacts on the environment having been adequately analysed. Following erosion of the coastline as a result of this port, it was decided to finance the construction of two breakwaters from the tourism Operational Programmes. As these were then partially destroyed by storms, the repairs, also financed from the tourism Operational Programme (EC, 1997, p.22).

Similarly, inappropriate planning projects on the island allow activities that damage the environment. Anagnostopoulou et al. (1996) report that in Crete, EU funding for the development of under-developed and unspoilt bays through the construction of coastal roads impedes the Loggerhead Turtles' route to the beach for breeding. In practice, projects do not always follow on and community funds are not used to optimum effect. In a survey of 15 treatment plants in Crete, it was found that their operation did not produce the desired results and an improvement in the control of outgoing water was necessary (EC, 1998d). Delays exist due to technical and administrative reasons in carrying out the projects, as well as an increase of total costs. Specifically, a sewage treatment plant, in Rethymno was delayed for 27 months and the cost increased by 257 percent (EC, 1998d). As a result, the country received warning letters from the EU and has appeared in the European court (Kousis, 1994).

A lack of successful land planning and environmental policies leads to a mix of land uses and illegal building construction. Although one of the public policy priorities is to ensure that the mistakes of the past are not repeated, illegal construction is still widespread in many areas. According to Peterson and McCarthy (1990a), illegal building "is long-standing, perhaps because of the practise of Greek political parties in electoral campaigns making promises and then enacting statutes declaring existing illegally constructed buildings to be in compliance with the law" (p. 168). Hopefully, the preparation of the National Cadastre and the updating of tourist legislation will help in the identification of public lands where illegal construction cannot take place.

In 1990, a ministerial resolution introduced the elaboration of Environmental Impact Assessment (EIA) studies for certain projects (Agenda 21, 1997). However, the reliability of these studies is questionable. For example, the EC (1999c) conducted a survey about indirect and cumulative impacts from 12 EIAs in Greece and found insufficient documentary and methodological evidence to support the studies. As a result, despite strict environmental laws, there is uncertainty about whether the government has the power to protect coastal and sensitive areas from disastrous development. However, not only tourism should be blamed for environmental degradation, as other activities, such as agriculture and light industry, due to insufficient use of legislation, cause significant environmental problems. For example, Kousis (1994) suggests that environmental policies in Greece do not always enforce regulations for industrial development, because of fears of hindering industrial investment.

The local community plays an essential role in cultural and environmental protection. In Greece, increased community awareness of environmental issues has been realised through a variety of means including national public information campaigns, the introduction of environmental courses into the curricula of the primary and secondary schools and the establishment of Centres for Environmental Education (Fousekis and Lekakis, 1996; Stott, 1996), with some degree of success, although public awareness is still low (Fousekis and Lekakis, 1996).

There is a lack of tourism research by the public sector into tourists' needs and the perceptions and needs of the local community. In general, research is limited, and in cases where it exists, there is no public body responsible for collecting and providing to all interested persons information for the existing tourist projects (Anagnostopoulou et al., 1996). Although some institutional arrangements for access to information, existing studies are circulated to a limited number of people, and those who seek information often encounter the refusal of authorities (Fousekis and Lekakis, 1996). For example, OANAK (1995) carried out a study on the alternative forms of tourism and the extension of the tourist season in

Crete. However, the study was not published and the author was refused to it; only a summary was available. Even when the academic community and private sector undertake research projects, these projects are not consulted by the public sector prior to plan formulation.

To sum up, the main constraints to tourism development are a lack of consistent specific regional strategy for tourist planning, a lack of co-ordination and also the relatively narrow margins for allocating public resources in order to support the implementation of tourism policies. As a result, planning follows development instead of preceding it (Peterson and McCarthy, 1990b).

5.7 CONCLUSION

Tourist arrivals and expenditure in Crete have risen steadily over the past two decades and subsequent investments in new developments and preparation of Development Laws have come into being. Mainly due to supply-oriented tourism planning, serious problems have resulted from the island's tourism development, contributing to low quality services and a subsequent provision of a low quality product. As a result, areas of the island have reached a high-density tourism activity, with severe environmental problems. Therefore, a more proactive role of government in tourism policy and planning is imperative, although there is uncertainty about whether the government has the power and the will to protect the island's environmental and cultural resources, through a balanced development of the tourism industry.

Some areas of the island are reaching the maturity stage of the resort cycle of evolution. In order to avoid decline the public and the private sector are trying to exploit the natural and cultural untapped resources and add artificial attractions, such as golf courses. Through financial help from EC initiatives, it is believed that the island will attract higher spending and alternative forms of tourism, extend the tourism season, diversify the tourist product and sustain resources.

From the literature review in Chapter Three it is apparent that although there is a strong argument to be made for the importance of tourism planning, in the case of Crete plans are almost non-existent and even when some plans exist, successful implementation is both difficult and apparently institutionalised. The biggest hindrance to tourism development in Crete is the myriad public sector bodies, leading to a lack of a comprehensive tourism policy. Evidence exists that countries within the EU, (e.g. Portugal, France, and Ireland) have successfully promoted their tourism industry, due to the existence of a clear governmental strategy for tourism development and strong funding by the central government (Akehurst et al., 1993). Unfortunately, both of these features have been ignored in the case of Greece, since there is a lack of consistent specific regional strategy for tourist development and relatively narrow margins for allocating public resources in order to support the implementation of tourism policies. If developers and planners want the benefits of tourism expansion, both funding and clear governmental strategies should be considered for trailblazing in future tourism policies.

Finally, there is no attempt to incorporate the opinions of the Cretan community in the tourism planning process, but developers and planners choose top-down planning that leaves host communities with little input over the development of their community. Besides, there is a lack of studies investigating the local community's views and desires for tourism development, which the literature considers an essential factor of sustainability. The next chapter presents the methodology adopted for this research.

CHAPTER SIX: RESEARCH METHODOLOGY

6.0 INTRODUCTION

The major aim of this chapter is to discuss the key methodological components used to achieve the objectives of the study. To achieve this aim, this chapter starts by identifying the factors affecting the research design, and concentrates on the description of the steps involved in the research process, ranging from the formulation of the research problem to the analysis and processing of data. Finally, issues of validity and reliability, and the limitations faced in this research are discussed.

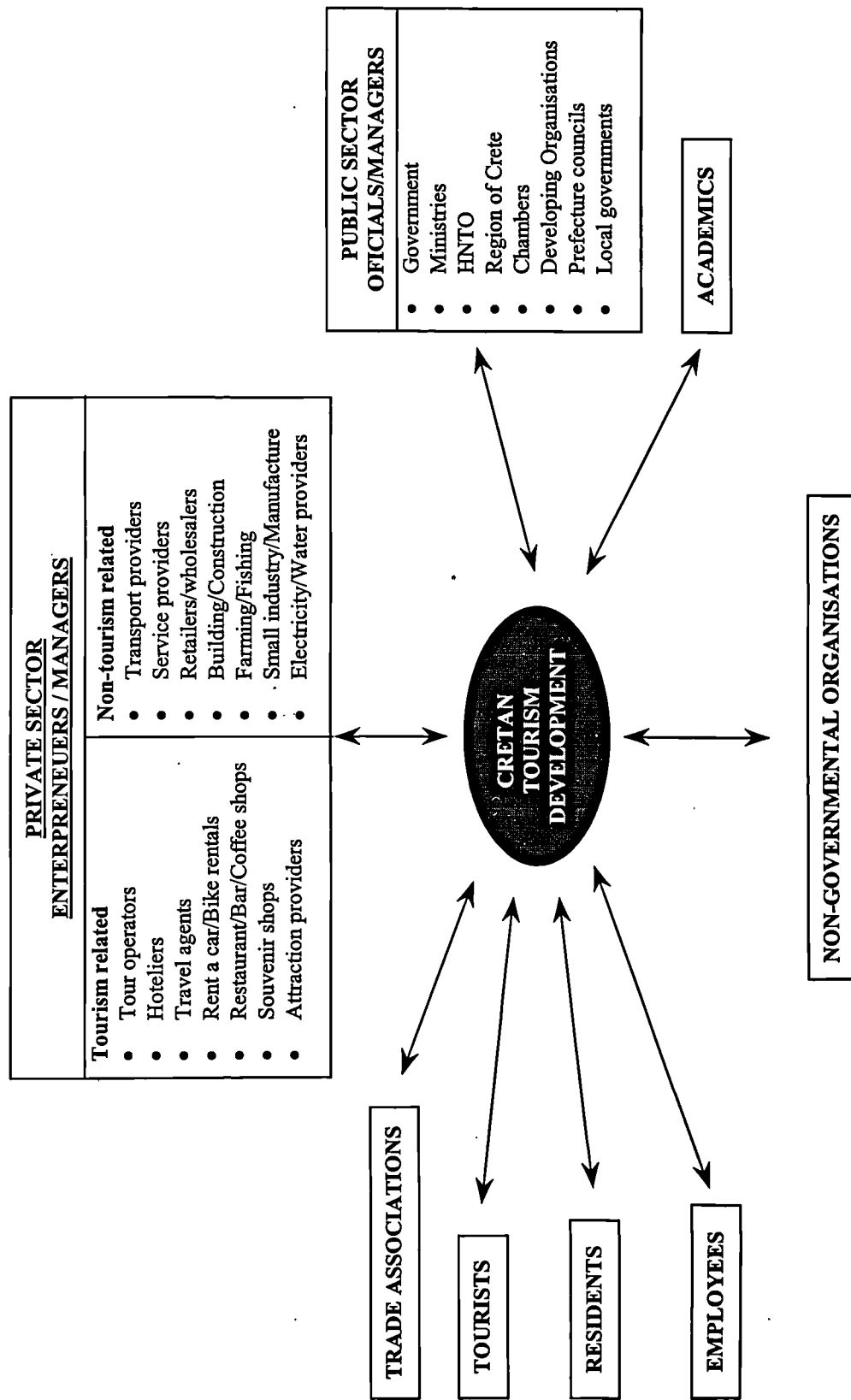
6.1 FACTORS AFFECTING THE RESEARCH DESIGN

To identify factors affecting the design of this research it is helpful to explain the following dilemmas faced in this study.

6.1.1 Stakeholder or community approach

Initially in this study, a survey of major stakeholders was seen as appropriate to identify differences between the needs, desires, and perceptions of each stakeholder group. These differences may be fundamental to identifying community action and reaction to tourism development. Thus, the first step was to define stakeholder. A stakeholder for this study is considered to be any individual, group, or organisation that is affected by or affects the tourism development of the island. After the definition the next step was to identify all actors with a stake in the island's tourism development. To achieve this a "stakeholder map" was designed (Figure 6.1). In total, eight stakeholder groups were named, most having been referred to earlier in the thesis.

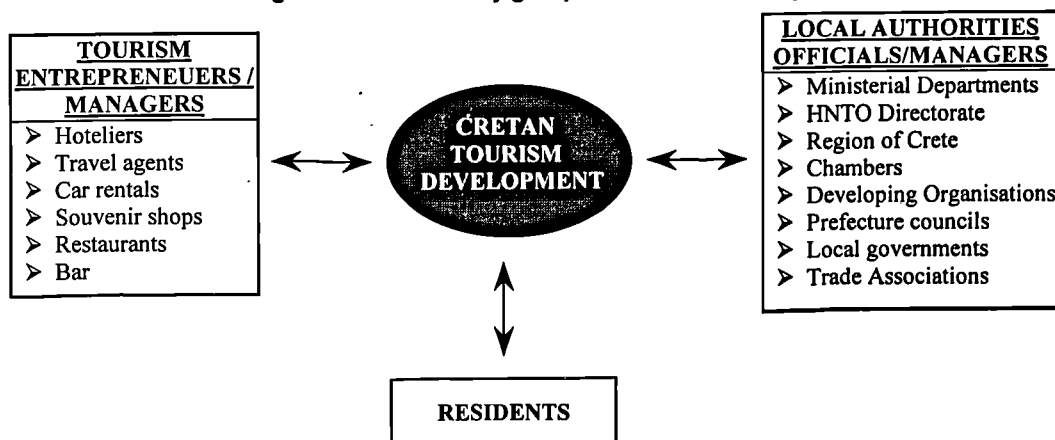
Figure 6.1: Stakeholder groups for the development of the Cretan tourism industry



Source: Author.

Two main constraints were faced to survey such a large number of stakeholders: limited budget and time, so it was necessary to consider how many stakeholder groups to include in the survey. The literature (Murphy, 1980a; 1980b; 1985; Pearce et al., 1996; Korca, 1998; Andriotis et al., 1999; Pearce and Moscardo, 1999) shows that the community is the appropriate level for analysing tourism development, since the greatest impacts of the industry are felt within the host system. Therefore, it was seen as appropriate to include those stakeholders within the Cretan community having different levels of power and involvement in the island's tourism development, from high (e.g. local authorities) to low (e.g. residents). In other words, the research adopted a community approach, by focusing on the investigation of three groups: residents, tourism entrepreneurs/managers and local authority officials (Figure 6.2), identified in earlier chapters as the major influences on the island's tourism development.

Figure 6.2: Community groups used in the survey



Source: Author.

The sample included the following groups because:

Residents. Many are directly or indirectly dependent on tourism for employment and/or incomes. Even if they are not involved in any tourism activity, they have to live with tourism, its subsequent developments, as well as the political and business decisions for tourism development. Equally, residents' acceptance of tourism development is considered important for the long-term success of tourism

in a destination, since if tourists are greeted with hostility, their number will decline (Ritchie, 1988).

Owners/managers of tourist enterprises providing facilities and services to tourists. This group was selected because it is directly dependent on tourism arrivals, it provides employment for the local population and its developments affect the appearance and welfare of the community. The tourism sector was represented by a broad cross-section of businesses related to serving the tourist including the owners or managers of accommodation establishments (AEs), travel agencies and car rentals (TA/CRs), restaurants/bars (labelled as catering establishments CEs) and tourism shops.

Local authorities. This group was selected because it represents the views of those who develop policy and planning, co-ordinate activities, and make decisions for future developments and public good. For the purpose of this survey, the local authorities include central government ministerial departments, development organisations, regional government, Prefecture Councils, local governments (OTAs), the Hellenic National Tourism Organisation (HNTO) directorate, chambers, and trade associations.

6.1.2 The qualitative or quantitative debate

In the literature, several schools of thought have emerged supporting qualitative or quantitative research. Although both are concerned with the investigation of an individual's point of view, they present differences in the nature of data, the methods used for data collection and the analysis process (Punch, 1998). Qualitative researchers argue that because of their elaborate methods of research (e.g. interviewing and observation), they manage to get closer to the individual's perspective. Conversely, quantitative investigators claim that without statistical significance qualitative research results are more unreliable and ambiguous (Denzin and Lincoln, 1998). In effect, quantitative investigators are drawn to quantify data by using closed or quantifiable types of questions and by applying

mathematical models, graphs and statistical tables to achieve more reliable results. In contrast, although qualitative researchers have adopted statistical tools (Walle, 1997), “they seldom report their findings in terms of the kinds of complex statistical measures or methods” (Denzin and Lincoln, 1998, p.9). Other differences between the two approaches are that quantitative research can make comparisons easier, it is more appropriate and cheaper when large samples are used (e.g. postal questionnaires), while qualitative research uses smaller samples, it is more flexible and its sampling purposive. In qualitative research the interviewer has to be more qualified and skilful (Walle, 1997). The differential dimensions of each approach are summarised in Table 6.1.

Table 6.1: Qualitative versus quantitative research

Comparison dimension	Qualitative research	Quantitative research
Types of questions	Probing	Limited probing
Sample size	Small	Large
Information per respondent	Much	Varies
Administration	Requires interviewer with special skills	Fewer special skills required
Type of analysis	Subjective, interpretive	Statistical, summarisation
Hardware	Tape recorders, projection devices, video, pictures, discussion guides	Questionnaires, computers, printouts
Ability to replicate	Low	High
Training of the researcher	Psychology, sociology, Social psychology, consumer behaviour, marketing, marketing research	Statistics, decision models, decision support systems, computer programming, marketing, marketing research
Type of research	Exploratory	Descriptive or causal

Source: McDaniel and Gates (1992).

From the above discussion the following dilemma emerges: ‘Is it better to adopt a qualitative or quantitative approach?’ In practice, neither approach is superior or inferior. Both approaches are valid and contribute to social research, and over-reliance on any approach is inappropriate (Punch, 1998). In the field of community perceptions of tourism development, the majority of studies are quantitative. For example, Pearce et al. (1996) reviewed the literature on community responses to tourism impacts, between 1978 and 1995, and identified 31 articles presenting quantitative data. Since quantitative methods are widely accepted for conducting community surveys, they were chosen for this study, although an attempt was made to supplement previous research by posing some qualitative type questions. Nevertheless, although qualitative-type questions were

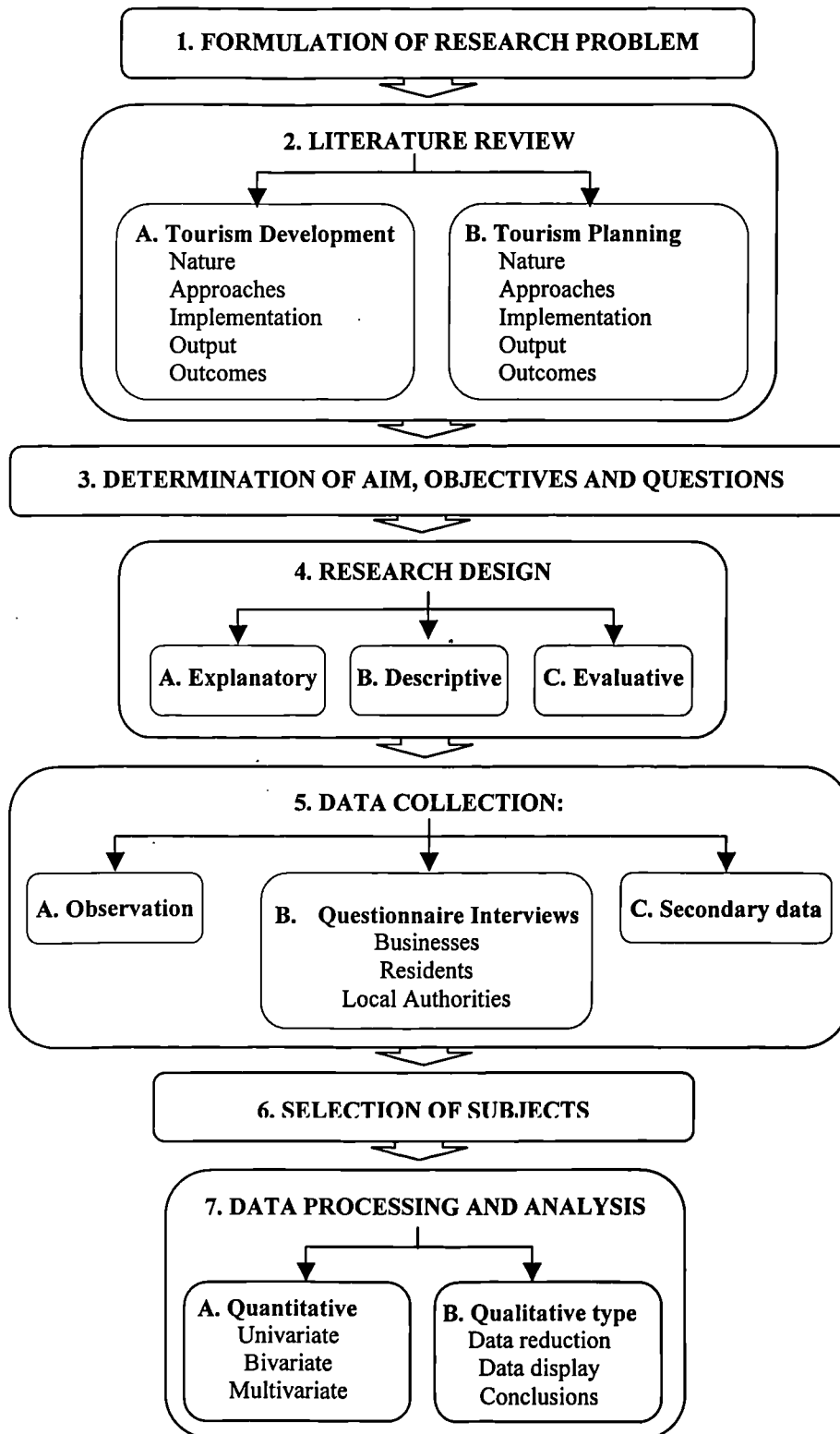
asked, replies were not explored as in depth as qualitative research does, mostly because the sample size was too large for this type of analysis and the study was concerned with understanding respondents' opinions through statistics drawn from the total sample.

6.2 THE RESEARCH PROCESS

This section will discuss in great detail the sequential steps for the planning of the adopted research process. In practice, there is no overall consensus about the stages to be followed during research (Robson, 1993). Different models have been proposed by many authors (e.g. Oppenheim, 1992; Arber, 1993; Singleton et al., 1993; Ryan, 1995; Schutt, 1996; Veal, 1997; Aaker et al., 1998; Punch, 1998), each containing similar steps. As Figure 6.3 indicates, this thesis has adopted the seven steps process proposed by Pizam (1994):

1. Formulation of the research problem.
2. Review of the related research.
3. Identification of aim, objectives and research questions.
4. Selection of research design.
5. Selection of data collection techniques.
6. Selection of subjects.
7. Planning of data processing and analysis.

Figure 6.3: Stages of the research process



Source: Author.

6.2.1 Formulation of research problem

All research begins with a clearly defined topic. According to Pizam (1994), a specific topic may be suggested by two types of concern: practical and scientific or intellectual. In terms of practical concerns, Pizam (1994, pp.91-92) identified the following types:

1. Provision of information for decision-making on the need for some new or enlarged facilities or services (e.g. impacts assessment for the construction of a casino);
2. Provision of information concerning the probable consequences of various courses of action for deciding among proposed alternatives (e.g. developers would like to know if the attraction of ecotourists would be profitable);
3. Prediction of some future course of events in order to plan appropriate actions (e.g. investigation of future trends in tourism demand).

The topics suggested by scientific or intellectual interests arise (Pizam, 1994, p.93):

1. From a concern over some social problem (e.g. cultural change);
2. From an interest in some general theme or area of behaviour (e.g. expenditure patterns);
3. From some body of theory (e.g. social theory).

Bailey (1987) adds a major concern relating to problem selection: the researcher's values. In this survey, the choice of the research topic was affected by practical, scientific and personal concerns. First, from a practical point of view, this survey is among the first attempt to offer information to decision-makers and potential developers of Crete on the perceptions of the local community of further tourism development. This is considered essential since the local community is an essential factor for visitors' satisfaction. Secondly, from a scientific point of view, there was a desire to investigate the problems that have resulted from tourism development in Crete as perceived by the local community, as well as to examine

the patterns along which the island has been developed. In a personal respect, having lived on the island and worked in the tourism industry, the author has witnessed various problems resulting from tourism development, as well as a lack of consideration of the local community's opinions and needs before the designing of development plans. Consequently, an interest was expressed in the investigation of these problems and the recommendation of potential solutions.

6.2.2 Review of related research

Once a research topic is chosen and stated, the next step is to review the related studies, in order to identify relationships among the variables to be studied and to "translate the topic into one or more clearly defined, specific questions or problems that are amenable to research" (Singleton et al., 1993, p.69). For this thesis, various sources were used to provide information on the components of tourism development and planning and their incorporation in the case of Crete. In summary, the core of the material used included:

- Relevant publications, e.g. books, conference papers, newspapers, reports etc., obtained from British and Greek libraries of universities, research institutions, organisations and trade associations;
- Key journals, mainly the *Annals of Tourism Research*, the *Journal of Travel Research*, the *Journal of Tourism Management* and the *Journal of Sustainable Tourism* were searched in order to find articles related to **tourism planning**, development and community perceptions;
- Key words (e.g. community attitudes, tourism development, **tourism planning** etc.) were searched in a variety of databases;
- A review of the contents of all the above sources was carried out to identify additional relevant material;
- E-mails or letters were sent and visits were paid, to academic experts, requesting literature suggestions.

The above sources helped the author to identify control variables and to develop a research framework. This was mainly achieved by viewing how other researchers have addressed similar topics, something that constituted the basis for the determination of the research aim, the objectives and the research questions.

6.2.3 Determination of aim, objectives and questions

The introductory chapter and the literature review have addressed two major shortcomings of past research, namely the lack of surveys related to tourism development in island regions other than island microstates and limited research into the perceptions of community groups other than residents. These shortcomings led to a focus on the Greek island of Crete, and more specifically the adoption of the following research aim:

to examine the local community's views towards tourism development, in an attempt to establish overall directions for tourism development and suggest effective tourism strategies and policies to alleviate the problems resulting from previous unplanned tourism development.

After the identification of the research aim the next step was to formulate the following research objectives:

- to investigate the components of the tourism development and planning process;
- to analyse the perceptions of the host population, tourism entrepreneurs/managers and local authorities of tourism development and to study the conditions under which tourism could expand further without any increase in negative effects;
- based on the literature review and the research findings, to propose a rationale/framework for the tourism development and planning process;

- based on the tourism development and planning process framework and the study of community perceptions, to recommend effective policies and strategies that will contribute to the designing of a community tourism product for the island of Crete.

To investigate some aspects under-surveyed or not clearly identified in past community research on the island, four questions were developed:

- Are there any variations of development in the island's tourism industry, as well as variations in managers'/owners' opinions, because of factors (independent variables) such as location of establishment, sectoral basis, and size of AEs?
- Are there any differences in the perceptions and attitudes of residents because of their socio-demographic characteristics? More specifically, are there any differences based on seven groups (independent variables), namely city, length of residence, reliance on tourism employment, gender, age, education and income?
- Do local authorities have any actions in force to promote tourism development? If so, what are they?
- Do tourism entrepreneurs and managers perceive the effects of tourism development to be the same as residents and the local authorities, or are they more favourable because of their dependence on tourism for their livelihood?

After the above decisions, the next logical step is to consider the research design, adopted to address the above research questions.

6.2.4 Research design

There are four types of research design: exploratory, descriptive, explanatory and evaluative.

Exploratory research design is undertaken to explore previously under-researched and unclassified areas and provide input for further research. The main difficulty of exploratory design is that the researcher has to begin with a general description of the phenomenon, where there are no clearly delineated independent and dependent variables, and as a result no categories to classify what one sees, no guidelines for the researcher to indicate what is important, whom to interview, or what leads to follow up (Singleton et al., 1993, p.91). In exploratory designs the sample is usually small, non-representative and the process is unstructured and more open than in any other kind of design. In the literature, there are a lot of studies dealing with community perceptions, having identified various independent and dependent variables and specified various groups that can provide insights into tourism development issues. Therefore, since the main topic of this study has already been researched by other authors, the exploratory design was not adopted, and it was decided to utilise the following three types of research design.

Descriptive design aims to describe a phenomenon. It is characterised by a prior formulation of specific hypotheses, based on previous research. The information needed is clearly designed and pre-planned (Malhotra, 1996). A major type of descriptive design is the case study.

A case study is a strategy for doing research which involves “an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 1993, p.52). The important points of a case study are that it is (Robson, 1993, p.52):

- a strategy, i.e. a stance or approach, rather than a method such as observation or interview;
- concerned with research, taken in a broad sense and including evaluation;
- empirical in the sense of relying on the collection of evidence about what is going on;
- about the particular, a study of a specific case;

- focused on a phenomenon in context, typically in situations where the boundary between the phenomenon and its context is not clear; and
- uses multiple methods of evidence or data collection.

As Veal (1997) states cases can consist of single individuals, communities, countries or organisations. Additionally, as several authors recommend (Marshall and Rossman, 1989; Yin, 1989; Stake, 1994), when a study confronts a process question, looks to track changes over time and reveal complexities about how the decision-making of various stakeholder groups has developed tourism, the appropriate research method is the case study. Since one of the research objectives is to examine the development and planning process on the island of Crete, through the actions and perceptions of community groups, the case study was seen as a useful technique. In particular, secondary sources of data were utilised for the understanding of past and present policies and planning initiatives and how they affected the development of the island.

However, if case study does not include quantitative research, it lacks rigour, reliability and does not address generalisability. For this reason, in conjunction with the limited research on community attitudes to the tourism development of the island, the second type of descriptive design, the *survey*, was adopted as a compatible component of the case study. Surveys refer to the “collection of standardised information from a specific population, or some sample from one, usually but not necessarily, by means of questionnaire or interview” (Robson, 1993, p.49). A survey is a technique commonly used in studies that have individuals as the units of analysis, because they describe community attitudes by identifying the proportion of a sample that possess a specific attribute or opinion, collect measurable variables and enable a degree of quantification, as well as the variables association in the analysis process. Through surveys this study could ask questions about attitudes and opinions, as well as development patterns of the island, and assess the tourism outcomes for the island and its community.

However, for the writing of the case study, the research moved beyond description by adopting a *causal or explanatory design*, in order to investigate relationships

by giving answers to problems and hypotheses. The major purposes of causal design are (Malhotra, 1996, p.97):

- To understand which variables are the cause (independent variables) and which variables are the effect (dependent variables) of a phenomenon.
- To determine the nature of the relationship between the causal variables and the effect to be predicted.

Through explanatory research, this study seeks to explore aspects of the island's development patterns and to provide explanations and data for testing hypotheses. In particular, this research investigated themes, such as: how will future tourism developments gain the approval of the Cretan community? Why are community tourism impacts perceived differently by different socio-demographic groups? Why do development patterns vary between cities, sectors and size of AEs? Was the attraction of mass tourism caused, for example, by ineffective promotion or misguided tourism policy?

For the better understanding of the case study, an *evaluation design* was utilised. This type of design arises from the need to analyse the success or effectiveness of specific policies or programmes (Veal, 1997, p.4). It is highly developed in some areas of public policy, although it is less utilised in tourism (Howell and Badmin, 1996; Veal, 1997). The major reason for this is the difficulty of obtaining data that correspond satisfactorily to the evaluation of a program's performance (Ritchie, 1994). Nevertheless, the significance of evaluation design is located in two types of output, the identification of a programme's strengths and weaknesses, and the understanding of major factors that determine a programme's success (Ritchie, 1994, p.20). During the presentation of the secondary data, by using evaluation design, this study attempted to examine the plans and programmes of the public sector (at local, regional and national level), as well as the European Community's intervention in tourism development and planning, and to evaluate the outcomes of their actions for the resources of the island and the local community's life.

6.2.5 Data collection techniques

There are three common types of data collection: observation, direct communication, (i.e. questionnaire and interviews) and secondary data. This research involved all three data collection types. Since the survey took place at the respondent's workplace or residence, during the interview the researcher could observe and collect visual information concerning the natural environment of the respondent, e.g. whether the facilities of AEs corresponded to their category. In addition, direct observation was used to identify possible inaccurate replies given by respondents. For example, the business questionnaire included a question asking owners/managers if their enterprise employed any non-local staff. All respondents apart from two replied negative to this question, although observation showed that foreigners were employed in some of the enterprises. However, because they were not registered with the appropriate National Insurance Agency, owners/managers were reluctant to reveal their number. As a result, this question was excluded from further analysis. Finally, after observation of the island's coastal resorts a model of the morphology of a typical Cretan resorts was suggested.

Since it was not possible to obtain all the data by observation, most of the data were collected by interviews. Because of the distinctive advantages of interviews, including an explanation of the survey's purpose, correction of misunderstandings, observation of respondents, greater depth and probing, and control of sequence of questions, meant that this was the most efficient method of data collection (Adams and Schvaneveldt, 1991; Oppenheim, 1992; Robson, 1993; Pizam, 1994). For community studies, this technique is the most appropriate to provide insights into how community groups think about complex issues concerning their destination, e.g. exploitation of tourism resources. Additionally, interviews of community members can allow each participant group to have their views heard equally, in contrast with other techniques, e.g. public meetings, that the views of a particular community group or individual may predominate.

However, interviews are a one-way participation technique, without any chance of a community group to debate with others. To overcome this drawback Yuskel et al. (1999, p.352) suggest that interview findings can be used as a basis for interactive negotiation between community groups in workshops or meetings. Other disadvantages include that they are more expensive and time-consuming (compared to postal surveys), and often there is a difficulty of obtaining co-operation from potential interviewees. Besides, Yuskel et al. (1999) report that because this technique does not involve direct dialogue (e.g. business sector with decision-makers), some community groups may consider that their opinions may be ignored by decision-makers. However, because of the interview's paramount advantages compared to other research methods, and the fact that most previous surveys of tourist enterprises and residents undertaken in Crete (e.g. AHTE, 1995; Tsartas et al., 1995; Papadaki-Tzedaki, 1997), have used personal interviews as the only data collection technique to achieve acceptable response rates, they were preferred to collect the required information.

Many different types of interviews have been proposed (Minichiello et al., 1990; Patton, 1990). The most accepted is the three-way classification of interviewing. This classification is carried out according to the degree of structure, or in other words, the depth of the interview. There are structured interviews, where the questionnaire is planned and standardised in advance, responses are categorised and pre-coded, and there is no attempt to go to any depth (Fontana and Frey, 1994). In contrast, unstructured interviews are not standardised and preplanned, and are generally open-ended (Punch, 1998).

In this survey the third type of classification was used: the semi-structured, that is a combination of structured and unstructured questions. By using this type, the interviewer was able to adapt questions according to each respondent's level of comprehension, and to understand that when respondents replied to a certain question, they also provided answers to a question that would be asked later. Very often, the free conversation between the researcher and the respondent permitted the former to lead the conversation and to probe. All these gave the interviewer the chance to better achieve the research objectives (e.g. through follow-up

questions). This was evident when some respondents showed great interest in the survey by asking questions and discussing some questions in detail. There was visible interest in the subject, even in cases where respondents were not directly involved in any tourism activity, possibly because tourism is a reality in the islanders' life.

Apart from interviews and observation, secondary data were collected from public and private organisations and libraries in Greece in order to receive information in statistics, development laws, plans, regulations and all relevant research having been undertaken by them. In addition, Internet, as well as reports from British libraries were used for the collection of secondary data from International Organisations, e.g. OECD, WTO, WTTC, and EC.

However, the task of using official statistics in general, and in particular in tourism, is fraught with the following constraints and limitations:

- A lack of a solid, comprehensive and internationally uniform information base on the economic repercussions of tourism (Paci, 1998, p.279) and the lack of a universally accepted definition of tourism (Smith, 1995) make it difficult task to identify who tourists are, their numbers and their expenditures;
- Purchases by visitors are made in many traditional industries, while tourism commodities are also purchased by non-visitors (Smith, 1995, p. 226). This creates difficulties in the calculation of tourist expenditure and the number of people employed in the industry;
- Secondary data collected for other purposes may not be appropriate to the present situation (Czinkota and Ronkainen, 1994; Malhotra, 1996);
- Limited dependability of the data due to the fact that secondary data may contain relatively high margins of error and inaccuracy (Holmes, 1987; Malhotra, 1996; Malhotra et al., 1996; Luk, 1999);
- Secondary data may not be current, and the time lag between data collection and publication may be long (Czinkota and Ronkainen, 1994; Malhotra, 1996, p.120);

- Some research may be consciously or unconsciously biased due to attempts made by researchers to please the project sponsor (Czinkota and Ronkainen, 1994);
- Often countries do not have sophisticated data collection systems and they tend to supply numbers that are estimates rather than precise readings (Czinkota and Ronkainen, 1994);
- In some countries there is a large black economy for which data are not available (Holmes, 1987).

6.2.6 Selection of subjects

Subsequent to the specification of the data collection techniques, the next step was to choose the subjects from whom the data would be collected. There are two ways to collect data. The ideal method is the study of all elements within the population (census), something that is not always possible. An alternative is to collect data from a proportion of the population by taking a sampling frame. This method was seen as appropriate for this study. In respect of sample size the focus of this survey was not to have a very large sample but to determine the sample size by the number of sub-groups (independent variables), as well as time and costs constraints.

Due of differences among the three groups, different sampling methods were used to obtain a representative sample from each community group.

6.2.6.1 Tourism businesses sampling

A sample frame of tourism businesses was selected through a three-stage sampling method.

Stage One. At this stage, establishments selected to form part of the survey were identified according to the main criteria of location and level of tourism development. The island has a large number of tourist businesses spread over myriad locations. Therefore, a selection of locations had to be undertaken. In

terms of location, four areas were selected in each Prefecture, a total 16 areas on the island. These areas were selected because they exhibited extensive tourism development. They included the capital city of each Prefecture and three major resorts (Table 6.2). Areas with lower concentration of tourism enterprises would be useful to form part of the survey, but this was not possible, because then more areas would have to be included, many located a long distance from each other, something that would increase the survey costs, as well as the duration of the survey. Besides, the selection of businesses was disproportionate to their number in each Prefecture, since proportional allocation would yield a very large sample frame in the Prefecture of Heraklio where almost half of the island's tourism enterprises are located, and a much smaller one in the other Prefectures.

Table 6.2: Areas used in the tourism businesses sample

	Heraklio	Lassithi	Rethymno	Chania
1.	City of Heraklio	City of Agios Nikolaos	City of Rethymno	City of Chania
2.	Lim. Chersonissou	Elounda	Adele	Maleme
3.	Stalis	Sissi	Missiria	Georgiupoli
4.	Amoudara	Sitia	Perivolia	Agia Marina

Stage Two. After location was determined, the next step was to make a list of tourist enterprises in each area. There were various sources for the sampling lists of tourist enterprises. For AEs, a main source was the Hotel Directory of Greece 1997, produced by the Hotel Chamber of Greece. For TA/CRs the HNTD directorate of Heraklio provided a list. To enrich these lists, as well as to design sampling lists for tourist shops, CE, additional sources were used, including Yellow Pages, Local and National Directories (e.g. Greek Travel Pages and the Hellenic Travelling Monthly Guides) and the Internet. All these sources were the best possible for the designing of a comprehensive sampling list for each sector, which contained location of establishments, address, name of director, as well as category of AEs. The main weakness of using so many sources was the tendency towards repetition, necessitating cross-checking to ensure lack of duplication.

It is important to note that TA/CRs were grouped together, as were restaurants and bars, because of the difficulty of separating their activities. For example, the vast

majority of travel agencies (91%) rented cars and the majority of restaurants ran as bars at certain times.

Stage Three. The next step was to select enterprises from the lists. For AEs, simple random or systematic sampling might produce misleading results since each accommodation unit does not carry identical weight. Therefore, a mix of AEs was considered appropriate in order to identify variations by quality and size. The best indicator of quality and size was seen the category of the establishment. Category is almost always related to size and specifies the facilities provided. Stratified random sampling was used to select the AEs, specifically one unit from each of the categories Lux', A', B' C', as well as one apartment from each area by using a random number. Where an area lacked a hotel of the category required, it was selected from another area. Hotels D' and E' and rented rooms were excluded from the survey, as they are not well-organised, usually accommodate only domestic tourists and the majority were not included in the sources used to create the list.

Regarding other sectors, no information was available for stratification. Therefore, systematic sampling was used to select five enterprises from each area. This involved choosing a sampling interval by dividing the total number of enterprises in each sector and area by five, and selecting a random starting number within the sampling interval. This method was seen as appropriate because it gave every member of the population the same chance of being selected in the sample (Hoinville et al., 1977). Table 6.3 indicates the estimated population, sample frame and the response rates (45.6%), achieved in the business survey. Response rates within different Prefectures did not present significant deviations, although different types of enterprises presented differences in their response rate.

Table 6.3: Population, sampling frame and response rate

	Estimated population	Sample Frame	Response	
		No.	No.	%
Total Accommodation Establishments	643	80	52	65.0
Heraklio	248	20	14	70.0
Chania	113	20	12	60.0
Rethymno	105	20	13	65.0
Lassithi	177	20	13	65.0
Total Travel Agencies / Car Rentals	246	80	32	40.0
Heraklio	121	20	6	30.0
Chania	57	20	8	40.0
Rethymno	30	20	8	40.0
Lassithi	38	20	10	50.0
Total Catering Establishments	714	80	28	35.0
Heraklio	259	20	5	25.0
Chania	124	20	10	50.0
Rethymno	119	20	6	30.0
Lassithi	212	20	7	35.0
Total Tourist Shops	698	80	34	42.5
Heraklio	208	20	9	45.0
Chania	149	20	8	40.0
Rethymno	162	20	9	45.0
Lassithi	179	20	8	40.0
Total Tourist Enterprises	2301	320	146	45.6
Heraklio	836	80	34	42.5
Chania	443	80	38	47.5
Rethymno	416	80	36	45.0
Lassithi	606	80	38	47.5

320 tourist entrepreneurs/managers were approached at their place of work during working hours, so that respondents would feel comfortable in their natural surroundings. No pre-arranged appointment was made with any of the respondents, unless otherwise requested. Respondents were asked to participate in the survey under the condition that they had been working on the island for the two previous tourist seasons. If a respondent was absent, up to three subsequent attempts were made to meet him or her. If a business had moved away or closed, the interviewer selected the next business on the sampling frame.

At the beginning of the interview, all respondents (including residents and local authority officials) were informed that the survey was a tourism study as part of a postgraduate studies programme. Furthermore, to increase the response rate, anonymity and confidentiality were assured, and a rapport was established, so that respondents felt motivated to complete the interview. To ensure freedom of responses, interviews were not recorded electronically. Instead the interviewer

took hand-written notes and following each discussion, completed his notes in detail.

6.2.6.2 Residents sampling

The most appropriate method to select residents is to approach them in the place they live. To achieve this, at first, the use of systematic sampling from the governmental electoral rolls or the Yellow Pages was considered, but this was abandoned for the following reasons:

- some households may be missing, e.g. households with an unlisted telephone, with no telephone or households where electors were registered to vote in another area;
- some addresses may not be valid and it could be impossible to trace the people;
- both methods did not list households but only names and addresses and therefore households with more than one telephone or more than one elector they would be included more than once in the list;
- the sample would be scattered throughout the island, and the cost of visiting those selected for a face-to-face interview would be very high.

As a near approximation, it was decided to use a multi-stage sampling procedure, which allows a large sample to be interviewed for quite a low cost (Hoinville et al., 1977).

In particular, a three stage sampling method was employed.

Stage one. At this stage the areas (or primary sampling units) were selected. Although it was considered ideal to conduct interviews across the island, including urban, rural, inland and coastal areas, to obtain higher representation, due to a limited financial budget and a lack of time, it was decided to conduct interviews in a more affordable way. Specifically, a municipality of each capital city of the four Prefectures was chosen to be included in primary sampling unit.

These cities house a high share of the island's population and their residents have diversified business and employment interests. Many employees working in the tourism industry, as well as employees in other economic sectors, live in these cities. The four municipalities were Heraklio, Agios Nikolaos, Chania and Rethymno. Since the municipality is the major part of the city, with the same name, from now on, any reference to a city means the municipality. In total, the sampling frame was 400 households, 100 households in each city.

As previously in the business survey, so in the resident survey, the selection was disproportionate to the number of households in each city, because proportional allocation would yield to a large frame in some cities and a smaller one in others. For example, the number of households in the city of Heraklio is approximately 13 times more than the city of Agios Nikolaos. Therefore, for comparison reasons a decision was made that the sample frame would include households disproportionate to the total number of households in each city.

Stage two. This stage selected individual elements within each city. The cities were divided into polling districts, with the exception of Agios Nikolaos, where because of its small size, the whole city was a polling district. Through electoral registers the number of electors in each polling district was determined. To select four polling districts within each of the three cities, the probability proportionate to size (PPS) proposed by Hoinville et al. (1977) was employed. Since the number of electors in each polling district varies considerably, PPS was seen as appropriate in order to select a representative sample taking into account the size of each polling district. In general this method gives an equal chance of selection to every member of the population under study. As Hoinville (1977) remarks, by adopting this method:

an individual in a district with a large population has a greater than average chance that his district will be selected, but this is compensated for because his chance of being selected within the district will be proportionate to the reciprocal of its population (p.66).

Polling districts in each city are listed with their electoral size in Appendix I. To identify four polling districts within each city, the total number of electors was divided into four to specify a sampling interval. Then a random number (smaller than the sampling interval) was drawn. To draw the random number each random interval was divided into two. The first polling district selected is the one whose population interval includes the random number; and subsequent polling districts were selected by successive additions of the sampling interval. For each polling district selected, a list of all streets was made and one street was selected by using a random number.

Stage three. In order to achieve a representative group within the relevant polling districts, the researcher started randomly in a selected street in each district and each fifth property on one side only of the street, in total 25, was incorporated into the sample. At each house, an adult (18 or over) was asked to participate in the survey. If a house was a multiple family residence, it was considered a household. If a house appeared vacant or occupied but no one was in, the interviewer moved to an adjacent house. The same procedure was used for the city of Agios Nikolaos with the exception that, since the whole city was a polling district, the researcher selected four streets, using systematic random sampling, and 25 households were selected in each street. Recognising that seasonal residents may influence the response, only permanent residents of the community, defined as those persons living in the community for at least nine months of the year, were interviewed. Table 6.4 indicates the estimated population, sample frame and the response rate achieved for each city (on average 48.5%).

Table 6.4: Total sample and response rate

	Estimated population	Sample Frame	Response	
		No.	No.	%
Total Households	63,053	400	194	48.5
Heraklio	36,462	100	55	55.0
Chania	15,674	100	50	50.0
Rethymno	8,209	100	50	50.0
Agios Nikolaos	2,708	100	39	39.0

6.2.6.3 Local authorities sampling

Non-probability sampling was used for the selection of local authority officials. The sampling procedure used was judgmental or purposive sampling, whereby representatives of the sample are identified in accordance with the interest of the researcher because they will shed light on a particular aspect of the phenomenon under investigation (Hornby and Symon, 1994). 28 local authority officials were selected, those with an involvement in the development of the island. Officials were selected from the four major cities, although the majority of interviews were undertaken in Heraklio, since the largest city on the island has the highest concentration of authorities (e.g. Region of Crete, Governmental Departments, HNTTO directorate). At first, only authorities with direct involvement in the tourism development of the island were considered appropriate. However, tourism is a multi-faceted industry, and it was decided that interviews with officials not directly involved in tourism, e.g. from technical and commercial chambers, would be useful.

Each official with development and planning interests received a phone call with a request to participate in the study. Very often telephone contact with the potential interviewee was not possible, but the interview request was made via a secretary or an administrative assistant. If it was not possible to arrange an interview by phone, the interviewer visited the official. The interviewer gave the head of the authority the opportunity to forward the questionnaire to a more knowledgeable person within the authority, if he/she thought that this person was more appropriate to interview.

Upon acceptance of the request to participate in the study, a meeting was arranged. 25 interviews were conducted, including four from local governments (OTAs), four from Prefecture Councils, two from development organisations, one from the Region of Crete, one from the directorate of the HNTTO, two ministerial departments, five trade associations and six chambers. Three interviews did not take place.

6.2.7 Questionnaires design

To develop the three interview questionnaires, the research questions from the literature review were used. These questions were then expanded to cover other relevant issues. Questionnaires used in previous studies (e.g. Pizam, 1978; Stallibras, 1980; Hennessy et al., 1986; Vaughan and Wilkes, 1986; Shaw et al., 1987; Ritchie, 1988; Williams et al., 1989; Long et al., 1990; Johnson et al., 1994; McCool and Martin, 1994; Buhalis, 1995; Madrigal, 1995; Akis et al., 1996) were also used as input into the questionnaire design process. The following issues were considered before writing the questionnaire, as proposed by Oppenheim (1992, p.101):

1. *Instrument of data collection* (e.g. interviews, postal questionnaires, observation).
2. *Method of approach to respondents* (e.g. length, duration and purpose of the research).
3. *Build-up of question sequences* (e.g. scales involved in the questions).
4. *Order of questions* (e.g. sequence based on logical flow process).
5. *Type of questions* (e.g. closed, open).

The instrument of data collection was interview, which allows the use of semi-structured questionnaires composed of open-ended and closed questions. Open-ended questions (without fixed categories for responses) were used to allow greater flexibility of answers, to encourage interviewees to give more spontaneous opinions and to avoid the potential bias arising from restricting responses to the researcher's own fixed categories (Ryan, 1995). However, one deficiency of open-ended questions is the difficulty of categorising and interpreting responses. Therefore, if there was a good idea of what was likely to be obtained from a question, the closed format was adopted.

Three different questionnaires were designed, one for each survey, in a way to make them easy for interviewees to understand. The three questionnaires included some identical or similar questions, worded appropriately for their respective

concerns, in order to compare and examine differences and similarities in attitudes between the groups. Copies of the three questionnaires are attached in Appendix J. An analysis of the content of each questionnaire follows:

The tourist enterprises' questionnaire consisted of four sections:

Section A: Personal information, related to length of residence, previous employment and educational background.

Section B: Information on enterprise, such as business profile, ownership characteristics, economic performance, extent of dependency on tourism, employment structure, their respective commercial and administration concerns, problems faced and perception of the role of tour operators.

Section C: Operational information. This section differed for each group of enterprises (although most of the questions were similarly worded). Questions in this section were concerned with size and quality indicators, the variety of services/products provided, pricing, variance of sales and linkages with the local economy for the purchase of supplies/services.

Section D: General attitudes. The last section included 10 attitudinal statements dealing with the impacts of tourism and development options. The response to each question was rated on a five-point Likert type scale ranging from 1 to 5. The five-point Likert scale is probably the most frequently used measure in community attitude surveys, and is very easy to understand. Other questions dealt with the satisfaction of respondents with the actions of the public sector for tourism development, their desire for further development and the future strategies and measures for promotion and development to be undertaken by the public sector.

The residents' questionnaire consisted of three sections:

Section A: Personal information, related to length of residence, employment information, and influence on respondents family of tourism.

Section B: Attitudes and perceptions. This section consisted of 30 attitudinal questions based on statements to which respondents were asked to respond using a

five-point Likert scale of options, from very positive to very negative. Seven statements were designed to assess residents' perceptions of the social impacts of tourism. 13 statements dealt with the economic implications of tourism development. Five statements dealt with the environmental impacts of development. Two statements focused on the overall impacts and three statements dealt with options for future tourism development. This section also asked respondents to indicate their satisfaction with the actions of the public sector in tourism development and their desire for further expansion.

Section C: Socio-demographic information such as gender, age, education, employment and income.

The local authorities questionnaire included questions about the authority's involvement in tourism, personal opinions of officers on tourism impacts, nine attitudinal statements and questions asking officials about the sufficiency of the island in products/services consumed by the tourism industry, the extent of Cretan ownership, problems faced by the tourism industry, as well as questions about strategies and measures for further tourism development.

6.2.8 Pilot survey

In an attempt to validate the data collection techniques, and check comprehensibility and whether the answers received would provide the information sought, a pilot survey took place in the city of Heraklio in April 1997. The sampling procedure used to pre-test the three questionnaires was judgmental or purposive sampling.

Initially, the intent was to administer self-completed questionnaires, and collect them the next day. This would be cheaper than personal interviews and it would allow wider coverage. However, out of 18 questionnaires (12 for enterprises and six for residents), only one was collected. The remaining questionnaires were not completed for reasons, such as workload, absence of the respondent and/or lack of interest. In addition, some open-ended questions were too complex to be explored

satisfactorily without an interviewer to explain, prompt and ensure complete coverage. Therefore, self-administered questionnaires as a data collection technique was abandoned since it would lead to a low response rate and incomplete and unclear responses.

Alternatively, face-to-face interviews were chosen. In total, the questionnaire was tested on 15 interviewees, two with local authorities, five with residents and eight with entrepreneurs/managers (two from each sector). Interviewees were asked not only to answer the questions, but also to highlight things that were not understandable or questions that they considered necessary but they were not included in the questionnaire. After the pilot survey, several amendments were made to the questionnaire, including altering question wording, shortening the length of the questionnaire by omitting some questions, changing questions and altering the order of questions to provide a more logical flow.

6.2.9 Data analysis

After data have been collected the next step is to analyse them. The data analysis plan can be divided into two parts based on the type of questions: the quantitative and the qualitative type questions.

6.2.9.1 Quantitative analysis

Having collected the data, the next step was to analyse them by utilising the Statistical Package for the Social Sciences (SPSS) 8.0. Before analysis, an accuracy check was carried out both at the time of the input and once after; and some corrections were made.

A major dilemma faced before analysis takes place is if data have to be weighted. Weighting is a method that “attempts to account for non-response by assigning differential weights to the data depending on the response rates” (Malhotra, 1996, p.406). According to Malhotra (1996, p.483), weighting should be applied with

caution because it destroys the self-weighting nature of the sample design. In this study, after much thought, weighting was avoided. The major reason for the resident survey was that the official data based on the 1991 census were out of date and covered the whole island or Prefectures and not just the areas used in the survey. For the business survey although data could be compiled for the number of enterprises in each area and the number of enterprises in each sector, it was seen that these data may not be representative. For example, Papadaki-Tzedaki (1997) found that in Rethymno 26 out of 154 hotel establishments did not have any license for various reasons. As a result, these establishments were not listed in the Hotel Directory of Greece, the main source for the construction of the AEs sampling list. Equally, during the survey there were also enterprises in the sampling frame, that had closed down or changed business activity, and therefore had to be replaced. As a result, since official data were not always valid, weighting could have destroyed the self-weighting nature of the sample design and introduced complications.

The statistical techniques used can be summarised in three categories: univariate, bivariate and multivariate. The question was to choose which statistical method to use within each technique. To take this decision, type of measurement is the main factor. There are three major types of measurement (Nachmias and Nachmias, 1976; Baker, 1988; Adams and Schvaneveldt, 1991; de Vaus, 1991; Easterby-Smith et al., 1991; Diamantopoulos and Schlegelmilch, 1997):

1. *Nominal* (or categorical): ranks the items in distinctive categories that imply no specific order (e.g. gender);
2. *Ordinal*: ranks the items in order but it is impossible to quantify precisely how much difference there is between the categories (e.g. quality rankings);
3. *Interval*: ranks the item in a numerical order and identifies the differences between the variables (e.g. age).

After identifying the types of measurement, an analysis of the statistical techniques used follows:

I. Univariate techniques

The first step in analysing the data is to identify what data look like by examining each variable separately (Baker, 1988). The *frequency distribution* of a variable is used to identify how the data are distributed across the categories¹; the *mean* (or average value) and the *median* measures of central tendency describe the center, middle, or most typical value in the sample (SPSS, 1997); the *range* to measure the distance between highest and lowest point in a set of cases; and the *standard deviation* the square root of the variance, to measure “how much dispersion (or spread) there is in the distribution of values in a sample” (Baker, 1988, p.397). Where Likert-Scale negative statements were used, the results were reversed. This means that all positive views are in the 1 to 3 end of the scale and all the negative views in the 3 to 5 end of the scale.

Univariate techniques revealed an interesting pattern of response. However, they were not enough to explain different attitudes of respondents and development patterns. Therefore, more sophisticated methods were utilised.

II. Bivariate techniques

The next step was the examination of relationship patterns between two variables through the use of bivariate techniques. These techniques are based on the notion that observations can be placed in several categories simultaneously (Nachmias and Nachmias, 1976), in tables known as cross-tabulations or contingency tables. The rows in the table represent the categories of one variable and the columns the categories of the other.

The most widely known test for comparing frequency distributions of two variables is the *chi square* (χ^2). χ^2 compares the observed and expected frequencies in each category and examines the null hypothesis (H_0), assuming that

¹ Because the sample size of the local authorities' survey was small (25 respondents), it was seen as more appropriate for the frequency distribution tables to be expressed in terms of the number of respondents/responses rather as percentages. However, there were times where for comparison reasons, percentages were used.

the variables are independent of each other (Singleton et al., 1993; Bryman and Cramer, 1997; Cramer, 1997; SPSS, 1997).

The level of probability for rejecting the null hypothesis for all tests was based on the significant value of .05, where the results would have occurred by chance only 5 times out of 100. The main limitation faced in the use of χ^2 is that in order to use this test, no more than 20 percent of cells should have expected frequencies of less than 5, and none should contain expected frequencies of less than 1. In any case where that happened, two solutions were used: the collapsing of some categories or Fisher's exact test for independence in a 2 x 2 table. If neither of these cases were applicable, the χ^2 was used for descriptive reasons, although its validity is questioned.

As simple comparison of the χ^2 from tables with different dimensions and sample size is relatively meaningless, Cramer's V was utilised to measure the strength of association between two nominal variables or one nominal and one ordinal. Cramer's V is derived from the χ^2 statistic and varies between 0 and +1, with the larger value signifying a higher degree of association. However, Cramer's V does not indicate how the variables are associated, unlike Spearman's ρ (explained below).

Spearman's correlation coefficient rho (ρ) was used to assess not only the strength of the relationship but also the direction between two ordinal variables. It ranges from +1 (perfect positive correlation), when there are no differences between the ranks, to -1 (perfect negative correlation), when the ranks of one variable are the exact reverse, and 0 when there is no relationship between the two variables (Levin, 1977; Bailey, 1987; Cramer, 1997).

T-tests were applied to compare variability of response based on means calculated for one dependent variable and one independent variable divided into two subgroups. When the independent variable was divided into three or more subgroups *One Way Analysis of Variance (ANOVA)* was applied. The purpose of

t-test and ANOVA is to test the hypothesis that group means of the population are equal. When the hypothesis is rejected, one mean (or more in ANOVA) is different from the other(s) and there is statistical significance. In t-test, the difference in the variance of the two subgroups is provided by the Levene's test for equality of variances, i.e. a type of one-way ANOVA (Bryman and Cramer, 1997, p.144). If Levene's test is significant, then the variances are unequal (Howitt and Cramer, 1997), otherwise they are equal. SPSS calculates a t-value and significance for equal and unequal variances. On the other hand, ANOVA estimates differences among scores within each group and between groups, by using the F-ratio.

The larger the value of the t-test and the F-ratio, the greater the probability of rejecting the null hypothesis and accepting the research hypothesis (Levin, 1977, p.149). The t-test and ANOVA are interpreted with reference to the degrees of freedom (df). Degrees of freedom technically refer to the freedom of variation among a set of scores (Levin, 1977, p.134). In the t-test degrees of freedom depend on the sample size and determine the shape of the sampling distribution of differences. If there is a sample of N scores, then N-1 are free to vary while only one is fixed in value (Levin, 1977, p.134). The same applies to ANOVA, although ANOVA has a second degree of freedom that varies with the number of subgroups. Specifically, if there are Ψ groups, then degrees of freedom is $\Psi-1$.

III. Multivariate techniques

The univariate and bivariate analyses proved interesting. However, for the residents survey, it was found that they could not give a clear explanation of what was needed at this stage, since the association between two variables was not substantial enough to allow causal inferences (Nachmias and Nachmias, 1976). In an attempt to explore the data further and identify any relationships among three or more variables simultaneously, it was decided to re-analyse the data using more complex analytic techniques, namely multivariate statistics. Multivariate statistics were not applied to the tourist enterprises and local authorities' analyses because the sample size and the nature of questionnaires did not allow it. Before any analysis of the multivariate techniques takes place, it should be noted that in the

three multivariate methods used, missing values were handled using the listwise option, where cases with missing values are omitted from analysis.

The following multivariate techniques were used:

Factor analysis

Factor analysis offers two applications. First, it can examine the correlations between the variables and second the correlations between the respondents. In this study factor analysis was used to examine the correlations between variables. To group individual respondents, cluster analysis was found to be more appropriate, as it is a commonly accepted method for many researchers. The reason for this is that factor analysis when used to examine correlations between respondents presents computational difficulties.

The primary purpose of factor analysis is to examine interrelationships among a large number of (metric) variables by condensing them into a smaller set of components (factors) with a minimum loss of information (Hair et al., 1987, p.6; Diamantopoulos and Schlegelmilch, 1997). Each factor contains “variables correlated with one another, but largely independent of other variables or subsets” (Tabachnick and Fidell, 1989, p.597). Factor analysis involves the following six steps: selecting and measuring a set of variables, preparing a correlation matrix, extracting a set of factors from the correlation matrix, determining the number of factors, rotating the factors to increase interpretability and interpretation of the results (Tabachnick and Fidell, 1989, p.598).

Two main types of factor analysis exist: the common factor analysis that analyses only the common (shared) variance and seeks to identify underlying dimensions (known as common factors), and the principal component analysis where the total variance is analysed and the original set of variables is reduced into a smaller set of composite variables (called ‘principal components’) (Diamantopoulos and Schlegelmilch, 1997, p.216). In this study, common factor analysis was chosen (instead of principal component analysis) for the following evident advantages (Kline, 1994, p.44):

- It is clearly useful to separate out common and unique variance since unique variance is of no scientific interest; and
- In common factor analysis the factors are hypothetical rather than real. Thus, a factor may account for the correlations among variables without being completely defined by them. This makes them of some theoretical interest.

Before using factor analysis (as well as cluster analysis) three tests were used to test if the data were appropriate.

- Cronbach Alpha (α) Coefficient is the most accepted method for testing the reliability of a scale (Ryan, 1995). Cronbach α tests the reliability by measuring the correlations that exist for each possible way of splitting a set of items in half (Ryan, 1995, p.254). This coefficient varies from 0 to 1, and researchers seek for values greater than .6 for satisfactory internal consistency reliability (Malhotra, 1996). In this study Cronbach α was .711, showing that the scale was reliable.
- *Kaiser-Meyer-Olkin (KMO)* test was used to check the appropriateness of the factor model. This test compares “the magnitudes of the observed correlation coefficients with the magnitudes of the partial correlation coefficients” (Malhotra, 1996, p.649). It takes the following values: 90+ = marvellous; 80+ = meritorious; 70+ = middling; 60+ = mediocre; 50+ = miserable; and below .50 = unacceptable (Kaiser and Rice, 1974). According to Tabachnick and Fidell (1989), for good factor analysis values of above .60 are required. The KMO measure of sampling adequacy had a large enough value .683, indicating that both the number of variables and the sample size are appropriate for factor (and cluster) analysis.
- Apart from the sample size and variables number, it is important for some of the variables to be correlated. If the correlations between the variables are small, factor analysis will not be appropriate. Therefore, *the Barlett’s test for sphericity (BTS)* was used to examine the hypothesis that the variables are uncorrelated in the population. This test is based on a χ^2 transformation of the determinant of the correlation matrix (Malhotra, 1996, p.649). The results of

BTS were 1899.620, ($df = 666$, $p = .000$) rejecting the null hypothesis that the variables are uncorrelated.

On the assumption that the scale is reliable, the factor model is appropriate and relationships exist within the variables, factor analysis was used to identify associations on residents' perceptions.

An important concept of factor analysis is the choice of factor rotation. The concept rotation means that the reference axes of the factors are turned about the origin until some other position has been reached which makes the larger loadings larger and the smaller ones smaller than their unrotated values (Hair et al., 1987, p.241; SPSS, 1997, p.301). The reason for this is to transform the factor matrix to make easier the interpretation (Kim and Muller, 1987). There are two types of rotation: the orthogonal and the oblique. In orthogonal rotation, the axes are maintained at 90 degrees, meaning that each factor is independent and as a result the correlation between the factors is zero. In the oblique, rotation is not maintained at 90 degrees and the factors are correlated (Hair et al., 1987; Tabachnick and Fidell, 1989; Kline, 1994; Malhotra, 1996; Stevens, 1996; Wright, 1997; Aaker et al., 1998). In order to decide the most appropriate method of rotation, the correlation matrix was examined. At first oblique rotation was considered because it is more flexible and realistic and leads to the most efficient way of reaching a simple and more easily interpretable structure (Hair et al., 1987). However, orthogonal rotation was used because of its conceptual simplicity, and because it is more appropriate when there is little correlation between factors. Besides, oblique solution is a subject of controversy and experimentation (Hair et al., 1987; Ryan, 1995). However, both models were tested and analysed using a factor loading of .40 and not many differences were found.

There are mainly three orthogonal rotation methods: *Quartimax*, *Varimax*, and *Equimax*. In this study, Varimax was used because it minimises the number of variables that have high loadings on a factor and therefore the interpretability of

the factors is easier (SPSS, 1997). Because of its distinctive advantages, it is the most commonly used method in factor analysis.

Another critical choice in factor analysis is the determination of the number of factors. There are four main different types of procedures for determining the number of factors (Hair et al., 1987, p.248; Malhotra, 1996, pp.651-652; Aaker et al., 1998):

- A priori determination. The researcher, due to prior knowledge knows the number of factors to expect and thus can specify the number of factors to be extracted beforehand.
- Determination based on eigenvalues, (i.e. the amount of variance accounted for by a factor). The rationale of this criterion is that any individual factor should account for at least the variance of a single variable, if it is to be retained for interpretation.
- Determination based on a scree plot. In this case the shape of the scree plot (that is a plot of the eigenvalues against the number of factors in order of extraction) is used to determine the number of factors.
- Determination based on percentage of variance. The cumulative percentage of the variance extracted by successive factors is used to determine the number of factors.

In this case the criterion of eigenvalues greater than 1 was used to determine the number of factors, because this criterion indicates the relative importance of each factor and is more reliable when the number of variables is between 20 and 50 (Hair et al., 1987; Malhotra, 1996; Aaker et al., 1998).

By using this criterion a total of ten factors were identified. One item “the money that tourism brings in is of benefit to the whole community” showed a relatively small correlation with other items, and did not have an adequate loading to be included in a factor with other statements but it was a factor itself. Therefore, it was excluded from further analysis, making the number of factors nine.

Another decision to be taken with Factor Analysis is to identify which factor loadings are worth considering. Factor loadings are the correlation of a variable and each respective factor (Bailey, 1987). According to Hair et al. (1987) loadings at above $\pm.30$ are considered moderate, $\pm.40$ important and above $\pm.50$ very significant. However, the number of variables under investigation determines the significance of loadings and therefore there should be adjusted according to the size of the sample (Stevens, 1996). In the factor model, loadings of an absolute value of .40 or more were considered in order to load highly enough and because it was appropriate for the number of variables and sample size. Six items showed a relatively small amount of correlation with other items in the survey and failed to meet the criterion of $\pm.40$. As a result these items were excluded from factor analysis. These items were:

1. Authorities in the future should encourage greater numbers of tourists.
2. Prices of many goods and services in the region have increased because of tourism.
3. There should be no government incentives for tourism development.
4. This community should control tourism development.
5. There should be a specific tax on tourists.
6. Tourism provides an incentive for the conservation of natural resources.

Consequently the factor analysis utilised only 23 items. For the naming and interpretation of factors higher loadings have influenced the name or label selected. In addition, for the analysis although all the variables were examined for a particular factor, greater emphasis was placed on the variables with higher loadings. Additionally, communality (H^2) was calculated to indicate the amount of variance that each variable shares with common factors (Malhotra, 1996, p.647). Communalities range from 0 to 1, with 0 showing that the common factors explain none of the variance of the variable and 1 that they explain all the variance (SPSS, 1997).

Multiple regression analysis.

Multiple regression analysis is a statistical technique which examines the relationship between a dependent variable and several independent variables (Hair et al., 1987; Tabachnick and Fidell, 1989; Kent, 1993; Bryman and Cramer, 1997; Howitt and Cramer, 1997; SPSS, 1997). The aim of regression analysis is to predict the dependent variable by knowing several independent variables (Hair et al., 1987). However, in this study multiple regression was utilised to identify the number of independent variables which are more strongly related to the dependent (factor) and to estimate the percentage of variance in each factor explained by the independent variables. Regression analysis can be applied to a data set in which the independent variables are correlated with one another and with the dependent variables to varying degrees.

To use regression analysis the independent variables have to be either dichotomous (yes/no), or continuous. If the independent variables are nominal, with more than two categories, they have to be converted into a set of dichotomous variables by dummy variable coding (0/1). Dummy coding assigns subjects to the 1' and 0', depending on whether they do, or they do not, possess the characteristic in question (Hair et al., 1987). Among the seven independent variables two, gender and city, were transformed to dichotomous. Regarding gender, 1 corresponded to males and 0 to females. On the other hand, city, because it was based on four categories, had to be split into more variables. According to Lewis-Beck (1993, p.76) a categorical variable with J categories requires a J-1 dummy variable in order to capture all the distributional information contained in the original set of distinctions. Thus, the independent variable city, with four categories, required three dummy variables to represent all the information contained in the original variable. As a result, three of the categories were represented by separate dummy variables (city of Heraklio versus other cities, city of Rethymno versus other cities, city of Chania versus other cities), and the fourth category (city of Agios Nikolaos) was excluded and served as a reference group. In multiple regression, there should be a minimum of at least 10 to 15 times more cases than independent variables. In the regression models there were 163 cases and nine independent variables, 18.1 cases per independent variable.

Missing values were handled using the listwise option and 31 cases were excluded from the total sample of 194 cases.

There are three forms of multiple regression: forward, backward and stepwise. Stepwise regression was used because it is the safest method when the aim is to explore the data for a solution which accounts for the maximum variance for a minimum of independent variables (Clark-Carter, 1997, p.350). In stepwise regression the variables are placed in the model, one at a time. If any variable does not contribute significantly to the model, it is removed.

The following statistics are used in regression analysis (Hair et al., 1987):

Coefficient of determination (r^2). This measures the percentage of total variation of the dependent variable explained by the independent variables. It varies between 0 and +1. The higher its value the better the prediction of the dependent variable.

Beta coefficient (β). When two or more coefficient variables are measured, β is used to compare the relative effect of each independent variable on the dependent.

Significance testing. In multiple regression, two types of significance testing exist. The significance for the overall test is made with the use of the F-ratio. The F-ratio hypothesis is that the amount of variation explained by the regression model does not occur by chance (i.e., r^2 is greater than 0) (Hair et al., 1987). The t-test tests the significance of the correlation between the dependent variable and one of the independent variables.

Cluster analysis.

Although both factor and cluster analyses are concerned with reduction, factor analysis seeks to reduce the number of variables, while cluster analysis is concerned with the reduction of the number of individuals or objects (Hair et al., 1987; Ryan, 1995). This is achieved by looking at the similarities and differences between the individuals or objects of interest, in order to determine the number of groups (clusters) in the sample and classify them according to their characteristics (Bailey, 1987; Hammond, 1995). As a result, individuals or objects within the

same cluster are more like each other than the ones in other clusters (Diamantopoulos and Schlegelmilch, 1997).

There are mainly two methods for clustering objects into categories: the *Hierarchical Cluster Analysis* and the *K-Means Cluster Analysis*. In the hierarchical method, clustering involves “the construction of a hierarchy or a tree like structure composed of separate clusters” (Hair et al., 1987, p.294). In K-means, the number of clusters are chosen by the researcher and cases are grouped into the cluster with the closest centre (SPSS, 1997). K-means was chosen instead of hierarchical method, because it is more appropriate for large samples (Milligan and Cooper, 1988; Everitt, 1993; Beaman and Vaske, 1995; Green and Krieger, 1995; SPSS, 1997), as the sample size of this survey.

Since the objective of cluster analysis is to group similar objects together, it is necessary to use some measure to assess how similar or different the objects are (Malhotra, 1996, p.676). In hierarchical cluster analysis, there are approximately 37 distance measures for defining how different or alike two objects are (SPSS, 1997, p.264). In contrast in a K-means procedure, distances are computed using *simple Euclidean distance*, i.e. “the square root of the sum of the squared differences in values for each variable” (Malhotra, 1996, p.676).

The major problem with cluster analysis is that there is no definite procedure for identifying the number of clusters (Ryan, 1995). To approach this problem researchers should investigate the distances between clusters. According to Hair et al. (1987) researchers should stop “when this distance exceeds a specified value or when the successive distances between groups make a sudden jump” (p.306). This is easier through the use of an icicle plot or a dendogram. To select the best number of clusters, solutions were computed for several numbers of clusters from two to six. The best alternative, after an evaluation of all solutions, was considered to be three clusters for the following reasons:

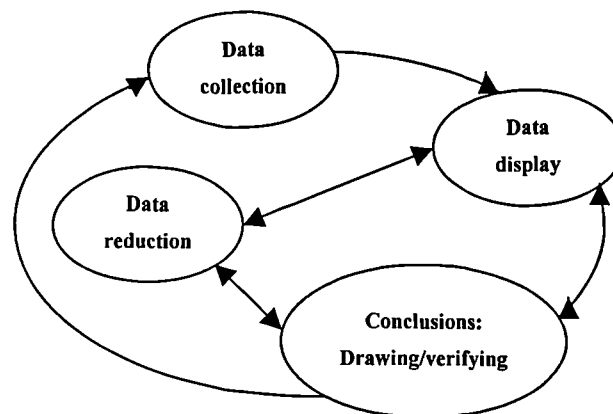
- at a three clusters solution the sizes of the clusters were more equal (66, 22, and 78), whereas, for example, in a four clusters solution the sizes were more unequal (56, 5, 75 and 30);
- the distance between the clusters was too high for most of the other solutions; and
- the findings will be more manageable and better to communicate with a three cluster solution than a solution with more clusters.

It should be noted that the three clusters accounted for 166 of the 194 respondents. The 28 respondents (14%) were outliers due to missing values. In Cluster analysis, any significance of the distance between clusters can be identified through the use of ANOVA tests. However, the F tests should be used only for descriptive purposes and not to test significance, since the clusters are chosen to maximise differences among cases in different clusters (SPSS, 1997).

6.2.9.2 Analysis of qualitative type questions

Much has been written on different types of qualitative analysis. For instance, Tesch (1990) identified 26 different approaches to qualitative analysis. This variety and diversity of qualitative approaches of analysis mean that there is no single methodological framework for the analysis of qualitative data and the approach followed by each researcher depends on the purpose of the research (Punch, 1998). In this study, 'transcendental realism', proposed by Miles and Huberman (1994) was adopted for the analysis of open-ended questions. According to this approach after the collection of data the following components of data analysis exist (Figure 6.4):

Figure 6.4: Components of data analysis: Interactive model



Source: Miles and Huberman (1994).

Data reduction is a part of the analysis that occurs continually. According to Punch (1998, p.203), it has three stages: the early stage, through editing, segmenting and summarising the data, the middle stage, through coding, memoing, and associated activities, and the later stage, through conceptualising and explaining. Coding is the major operation to get the analysis going. Coding is the process of putting tags, names or labels against pieces of data (Punch, 1998), in an attempt to attach meaning to them. In the three questionnaires closed questions were pre-coded. Answers from open-ended questions were copied from the questionnaires and presented in the form of a raw report. Individual codes were given for the most frequent responses and the remainder was grouped into meaningful categories. Although the aim was not to leave many responses in the other category, this was inevitable because responses to some questions differed significantly for some respondents. Finally, data were entered into the computer (SPSS).

Data display through various ways, such as graphs, charts, tables etc. This component is “an organised, compressed assembly of information that permits conclusion drawing and/or action taking, is a second part of analysis” (Huberman and Miles, 1998, p.180).

Drawing and verifying conclusions. The only reason for reduction and displaying data is to interpret them and draw conclusions (Punch, 1998). There is a range of

tactics to achieve this, such as comparisons, contrast, noting of themes and patterns, clustering, triangulation, and looking for negative statements (Huberman and Miles, 1998).

6.3 LIMITATIONS AND ISSUES OF VALIDITY AND RELIABILITY

For quantitative studies, there are two major issues to be considered to ensure that the measures developed are reasonably good. These issues are validity and reliability.

Validity is the extent to which the collected data actually reflect the phenomenon under investigation. According to Veal (1997), tourism research presents a lot of difficulties in ensuring validity for the reason that it deals with people's attitudes and behaviour. The researcher is reliant on individual responses, mainly through the use of questionnaires, and there is no control over responses (e.g. misunderstandings). Since these instruments have many deficiencies, and attitudinal surveys can be an unstable reflection of attitudes (e.g. changes over a short time or by exogenous variables), the data obtained can never be as certain as the data obtained by the natural sciences (Pizam, 1994; Veal, 1997, p.35).

Many approaches have been proposed for assessing validity (Nachnias and Nachmias, 1976; Moser and Kalton, 1979; Bailey, 1987; de Vaus, 1991; Ryan, 1995; Aaker et al., 1998; Punch, 1998; McQueen and Knussen, 1999), although none is perfect.

Criterion validity. A comparison is made with how respondents reply to questions measuring a concept and existing, well-accepted measures of the concept. In this study, no other measure was used because it was not available. However, in criterion validity the interpretation of the findings is based upon the ability of the variables to predict another variable (Ryan, 1995, p.36). Prediction was made through regression analysis to clarify how well the seven independent variables could predict the factors (dependent variables).

Subjective validity. There are two methods of subjective validation: the face validity and the content validity. Face validity refers to the judgement that an operational definition appears, on the face of it, to measure the concept it is intended to measure (Singleton et al., 1993, p.122). However, face validity is not widely acceptable because it is based on personal judgement rather than objective evidence (Singleton et al., 1993). On the other hand, content validity refers to the degree to which a measure covers the full range of behaviour being measured (Clark-Carter, 1997, p.29). To ensure face and content validity experts were asked to judge if the instrument covered the range that they would expect and a review of the literature was undertaken to identify different aspects of the concept. An additional method was a pre-test, in other words, the pilot survey, to check a proper and broad flow of questioning. However, tourism development and planning are broad areas, which cannot be covered fully in this survey, as the length of the questionnaire had to be limited to an appropriate time. Therefore, certain questions, such as preferred future scenarios for tourism development, and desire of respondents to participate in planning, had to be excluded from the questionnaires.

Construct validity. This method evaluates how well a measure conforms with theoretical expectations. From the research findings it is evident that the adopted instruments assessed the theoretical construct of the literature review satisfactorily and therefore we can assume that the research has achieved construct validity. For example, the results of the factor and cluster analysis can ascertain construct validity, since by the use of these two techniques many aspects of the theory became apparent, such as the significance of the economic benefits and the concern for environmental and social costs.

To sum up, there is no ideal way of determining validity. As de Vaus (1991) states:

The method chosen will depend on the situation. If a good criterion exists use it; if the definition of the concept is well defined or well accepted use this approach; if there are well established theories which use the concept which we use to validate, use this

approach. If all else fails we have to say this is how the concept is defined and these measures, on the face of it, seem to cover the concept, and to give the measure to other people (referred to as a panel of judges) to see what they think (p.57).

Reliability means the degree to which the results we obtain will be the same from one occasion to another (de Vaus, 1991; Clark-Carter, 1997; Sapsford, 1999). It can be distinguished from validity, because validity is concerned with whether the research instrument measures what it is supposed to measure. Reliability interferes with the consistency of the results. If a measure is valid, then it is also reliable, although if a measure is reliable it does not imply that it is valid also, because somebody can measure reliable something other than that he/she intends to measure (Singleton et al., 1993). Although in the natural sciences, reliability is easy to control, in the social sciences, most of the times this is not possible, because they deal with human beings in ever-changing social situations (Veal, 1997, p.36). Therefore, Veal (1997, p.36) suggests that social scientists, including those in tourism, should be very careful when they make general statements based on empirical research for the reason that any findings are related only to the subject involved, and at the time and place that the research was undertaken.

Certainly, timing for this study was a critical issue. Although the business survey had to take place during the tourism season, it was decided to undertake it late (October and November) when business activity was lower. Nevertheless, refusals to participate in the survey were evident because of workload. This was more evident in TA/CRs, CEs and tourist shops, because of direct contact of respondents with customers. Therefore, the response rates for these enterprises was lower (ranging from 35-42.5%), compared with AEs (65%).

The residents' survey took place during August and September, when the impacts of heavy tourism concentration were more acute, which might influence respondents' perceptions, since attitudes might vary with differing levels of tourist activity. Therefore, more accurate information might be obtained from surveys undertaken in different seasons of the year to account for seasonality of tourism activity. Timing might also have affected the response rate since some residents

employed in tourism were busy or absent, especially in the city of Agios Nikolaos, where the response rate of residents survey was low (39%) compared with the other cities (50-55%), perhaps due to the higher involvement of residents of this city in tourism activities.

De Vaus (1991) considers three aspects of reliability: sources of reliability, testing reliability and increasing reliability. As sources of reliability, de Vaus (1991) identified bad wording of questions, and that different interviewers eliciting different answers from respondents. He gave as examples the influence of gender, ethnic origin and appearance of the interviewer, problems with the coding of questions since different codes can be used for the same response, and he identified that even well developed questions can have unreliability problems.

In this survey, the best way to increase reliability, applicable for the three questionnaires, was to use questions well tested by other researchers, paying attention to the wording of the questions (the pilot survey and experts judgements were utilised to ensure good wording), correct coding and good appearance and friendly manners of the interviewer. On the other hand, the interviewer had the same ethnic origin as the interviewees, although his gender may have affected response rates, or the freedom of female respondents to express their opinion.

Several methods have been established for testing reliability for single and multiple-item indicators. For single item indicators (single questions), the only method is the test-retest, whereby the researcher asks the same respondents the same question twice, usually at a two to four week interval, and then calculates the correlation co-efficient for both interviews, which for reliable results the coefficient should be high. Due to time and budget limitations, this method was not used and instead the internal consistency reliability test, Cronbach α , was used for the resident questionnaire to test the extent to which the items are consistent with each other or are all working in the same direction (Punch, 1998, p.99). The results of the Cronbach α reported above confirm the reliability of the scale.

Apart from validity and reliability there are alternative criteria of evaluation, as proposed by Lincoln and Guba (1985), used mainly in qualitative analysis, although they can be easily adopted in this survey. These include credibility, transferability, dependability and confirmability.

Robson (1993, p.403) identifies the goal of credibility (parallel to internal validity): “to demonstrate that the enquiry was carried out in a way which ensures that the subject of the enquiry was accurately identified and described”. The major techniques known to increase credibility are prolonged involvement, persistent observation and triangulation. In this study, prolonged involvement was crucial, since the researcher has lived all his life in the island and has worked in the tourism industry and as a result he has substantial knowledge of tourism outcomes. Moreover, through triangulation, by using different sources and methods for data collection, an attempt was made to enhance the credibility of the investigation of the complex phenomena of tourism development and community perceptions.

Transferability (external validity or generalisation) refers to whether the findings of the study “can be transferred to another similar context or situation and still preserve the particularised meanings, interpretations, inferences from the completed studies” in order to extend knowledge use (Leininger, 1994, p.106). It was a constant concern of this study to give a full specification of the methodological choices and procedures followed in the research design, in order to help others designing studies to determine the extent of transferability to the development of their studies, and permit adequate comparisons.

Dependability (parallel to reliability) refers to whether the process of the study is consistent, reasonably stable over time and across researchers and methods, in other words, a kind of quality control (Miles and Huberman, 1994, p.278). As a study that is valid must be reliable, so a study that is credible is also dependable. As a result, triangulation, used to test credibility, is a means of assessing dependability. Furthermore, to attest dependability, attention was paid to the

processes followed in this research and attempts were made to ensure that the process was clear, systematic and well documented.

Confirmability/objectivity refers to whether the reader has been told enough to judge the adequacy of the process and assess whether the findings flow from the data (Robson, 1993). To achieve confirmability, the general methods and procedures of the study were described explicitly and in detail.

However, the limitations of this study may have influenced the research outcome. Crete is a large island with residents and tourist enterprises that may vary in characteristics according to geographical location. Therefore, it would be best to increase data reliability by eliciting information from many different areas (four for the residents survey and 16 for the enterprises). However, since the interviews were conducted in so many areas spread throughout the island, certain study limitations attributable to time and financial considerations deserve mention. Therefore, the total sample had to be small, if somebody considers the sample size used at postal surveys. Besides, the research instrument used was time demanding, since the average interview for the residents questionnaire was approximately 35 minutes, and for the owners/managers, as well as local authorities one hour, although there were cases where it took up to two hours. Therefore, the major limitations faced in this survey were limited time and low budget.

Equally, asking questions on issues that respondents have little knowledge of, or are unable to express an opinion on, can lead to 'very rough and ready answers'. This was evident in cases where respondents were poorly educated leading to misunderstanding, which required the interviewer to elaborate on the questions. Additionally, some respondents from the business sector were suspicious and refused to reply, or replied with diffidence, to many of the financial questions, considering them 'strictly confidential'. Due to inadequate data collection, three questions related to the financial performance of enterprises (amount of capital investments, total turnover and VAT payments) were excluded from further analysis. This may be explained because:

- the fierce competition between the enterprises made many of the owners/managers reluctant to provide insights into their financial performance;
- many enterprises may not declare the correct amount of turnover in order to reduce the amount of payable taxes;
- respondents from many of the firms, particularly the smaller ones, did not have available or they could not remember detailed information, and stated that “only their external accountant knew this”.
- Some interviewees believed that the interviewer was employed by the taxation agency to acquire further information about their business affairs.

Further, two questions were excluded from analysis because they did not provide any analytical benefit. The first question asked owners/managers to name the facilities/services provided by their enterprises and the second asked owners/managers of CEs the average spend of each incoming tourist at their establishment.

Another difficulty was the refusal of a significant number of potential respondents to participate in the interview, which may create problems of representation, as the results may have been biased by either favourable or unfavourable responses, since the non-respondents may differ in their characteristics from the respondents. Nevertheless, data is not available for the non-respondents profile and therefore it is not possible to proceed to a test of non-response bias. The non-response was more obvious in the business sector survey, due to workload, and for many of the residents, due to lack of interest and fear of opening their door to a stranger. Cretans are not used to participating in surveys and therefore it was quite difficult for many of them to be interviewed. For example, Kousis (1989) in her survey of a Cretan community abandoned formal interviews because, after repeated attempts, the local residents felt very uneasy.

There were also cases where although an appointment was arranged (mainly with an owner/manager or local authority official), he/she did not show up or was not

on time, so the interview took place at another time or did not materialise. Since the private sector and local authority interviews were conducted in the respondents' place of work, very often respondents were performing other duties resulting in delays and disruptions.

6.4 CONCLUSION

This chapter has presented the sequential steps followed to complete this thesis. The entire research process used in this survey has been analysed from beginning to end, in order to understand each step followed. According to Ritchie (1985):

The quality of research and planning activities is no better than the quality of information on which these activities are based. In turn, the quality of this information depends upon the use of methods of data collection, which provide appropriate and reliable inputs, which can be analysed and interpreted so as to provide meaningful insights and conclusions (p.94).

The quality of the sequential steps analysed above will show if the major aim of this study will be achieved and if meaningful conclusions and future tourism strategies in the final chapter may be provided that, when adopted by the Cretan tourism industry, will ensure optimal outcomes. However, it is important to note that the survey design was constrained by limited time and cost, and the need to obtain a sufficiently large absolute return from a representative sample in a fairly small total population.

CHAPTER SEVEN: KEY CHARACTERISTICS OF THE SAMPLE

7.0 INTRODUCTION

Before a detailed analysis of the research findings takes place, it is imperative to proceed to a presentation of the key characteristics of the sample. The examination of enterprise characteristics may demonstrate differential patterns of development and the characteristics of owners/managers and residents may provide an insight into differences in attitudes. Therefore, the aim of this chapter is to present the key characteristics of the sample in order to help the better understanding of respondents' attitudes and the development patterns of tourist enterprises. The chapter is divided into three sections: the key characteristics of (i) enterprises, (ii) owners/managers and (iii) residents.

7.1 KEY CHARACTERISTICS OF ENTERPRISES

Although as mentioned in the literature tourist enterprises present differences because of their characteristics, (e.g. size, location etc.), it is still the case that little attention has been given to the understanding of these differences in characteristics as explanatory of development patterns and owners/managers attitudes. Therefore, enterprises in this study are divided into sub-groups. The intention is to classify firms in order to explore whether different types of firm, location and size relate to various aspects of development. The sub-groups used as independent variables in the analysis of the enterprises and owners/managers findings are:

1. Prefecture of location: namely Chania (N=38), Heraklio (N=34), Lassithi (N=38) and Rethymno (N=36);
2. Sectors: accommodation (N=52), travel agencies/car rentals (N=32), catering (N=28) and tourist shops (N=34);

3. Size of accommodation establishments (AEs): 40 rooms or less labelled as small (N=19), 41-100 rooms labelled as medium (N=16) and more than 100 labelled as large (N=17).

In the business survey, to identify statistically significant relationships between two variables where one was nominal and the other nominal or ordinal, χ^2 tests were performed. Cramer's V was calculated in order to identify the strength of the relationship. Alternatively, when both independent and dependent variables were ordinal, Spearman's ρ correlation coefficient was used to assess not only the strength of the relationship but also the direction. The results of the χ^2 and Cramer's V are shown in Appendix K and the results of Spearman's ρ in Appendix L.

To compare the statistical significance between an independent and an interval dependent variable ANOVA tests were used. Tables M1 to M4 in Appendix M, show the results of the ANOVA tests related to the variance of monthly turnover of enterprises and monthly occupancy rates of AEs. Figures M1 to M4 in Appendix M, illustrate diagrammatically the mean scores of the enterprises turnover and AEs occupancy rates. The horizontal axis indicates the 12 months of the year.

7.1.1 Ownership and number of outlets

Type, size and ownership of enterprises are often closely interrelated. Therefore, owners/managers were asked to indicate the type of their enterprises' ownership in order to see if variations in type or size of enterprises present differences in their ownership. Half of the enterprises used in the sample were in individual ownership, while slightly over 40 percent were Societe Anonyme (S.A.) and just nine percent limited (Table 7.1). The majority of enterprises in S.A. ownership were found in the accommodation sector (86%) and only one third of small AEs was in individual ownership (Cramer's V = .368). There was a quite strong association (Cramer's V = .773) for sectors with 82 percent of the tourist shops, 79 percent of the catering establishments (CEs) and more than half of the travel

agencies/car rentals (TA/CRs) in individual ownership. It is interesting that the CEs show a remarkable similarity in the type of ownership with tourist shops. Since the vast majority was in individual ownership it can be used as an indicator of the small size of enterprises in both sectors.

Table 7.1: Type of ownership

	Individual %	S.A. %	Co-operative %
Sectors:			
Accommodation	12	86	2
TA/CRs	53	44	3
CEs	79		21
Tourist shops	82	3	15
Total survey (N = 146)	50	41	9
Size of AEs:			
Small	32	63	5
Medium		100	
Large		100	
Total accommodation sector (N = 52)	12	86	2

As far as the number of outlets operated by the same enterprise is concerned, 71 percent of tourist enterprises had only one outlet, 11 percent two and only 17 percent more than two (Table 7.2). Only one moderate positive relationship (Spearman's $\rho = .528$) was found between the number of units and the size of AEs. 90 percent of small AEs and 88 percent of medium-sized had only one unit, although 12 percent of the large AEs had two units and 53 percent three units or more. As a result, the larger the accommodation unit, the higher the possibility of belonging to a group.

Table 7.2: Number of outlets

	1 Unit %	2 Units %	3 Units + %
Size of AEs:			
Small	90	10	
Medium	88	12	
Large	35	12	53
Total accommodation sector (N = 52)	71	11	17

7.1.2 Capacity and category of AEs

The capacity of the AEs used in the sample varies between 20 and 860 beds (10 and 425 rooms). As Table 7.3 demonstrates, 33 percent of the AEs had 75 beds or fewer, 34 percent from 76-200 beds and 33 percent over 200 beds. The average bed capacity was 194.1 beds and the room capacity 92.9. No statistically significant association was found between bed capacity and location.

Table 7.3: Bed capacity

	N	%
1-75 beds	17	33
76-200 beds	18	35
201+ beds	17	33
Total accommodation sector	52	100

Not surprisingly, there is a quite strong relationship between size of AEs and their category (Cramer's $V = .639$), with all the Lux' category AEs and 89 percent of the A' category belonging to the large size group, although the higher share (58%) of B' category AEs belonged to the medium and 73 percent of the C' category and 55 percent of the apartments in the small group (Table 7.4).

Table 7.4: Category awarded to AEs

	Lux' %	A' %	B' %	C' %	Apartments %
<u>Size of AEs:</u>					
Small			17	73	55
Medium		11	58	20	45
Large	100	89	25	7	
Total Accommodation sector (N = 52)	10	17	23	29	21

7.1.3 Enterprises year of foundation

To investigate the maturity of the island's tourism industry the business survey asked owners/managers to indicate the start-up year of their enterprise. The enterprises used in the sample had a wide range of start-up years with the first tourism enterprise having been established in 1963. From 1963 to 1986, only 32 percent of tourism businesses came into existence, from 1987 to 1992 an

additional 43 percent, and after 1993, 24 percent. As a result, the development of the tourism industry in the areas under concern before 1987 was slow, whereas it expanded rapidly between the years 1987 to 1992. The establishment of new enterprises after 1987 can be attributed to the Investment Incentive Law 1262/1982, which became operational after 1986, as well as the expanding demand for travel through the evolution of mass tourism.

As shown in Table 7.5, there was an indication of regional differences in the year of foundation of enterprises, with enterprises in the Prefecture of Heraklio, followed by Lassithi, having the highest number of properties established before 1987 (50% and 43% respectively) (Cramer's $V = .308$). Undoubtedly, the Prefectures of Heraklio and Lassithi appear to have an older and perhaps more mature tourism industry, compared to the other two Prefectures. This was not unexpected since, as already noted, the existence of the basic infrastructure in the areas of Lassithi and Heraklio and their close proximity to the main airport of the island helped them to play a leading role in the development of the island's tourism industry. As in many islands around the world, e.g. Dominica (Weaver, 1991), so in Crete, development in some areas close to the capital of the island comes at the expense of other areas in the periphery. The other two Prefectures established their tourism industry later and therefore 55 percent of properties in Chania and 47 percent in Rethymno were established between 1987-1992.

If the start-up year of enterprises is cross-tabulated with enterprises' activity (Cramer's $V = .236$), it can be seen that 42 percent of AEs and 35 percent of TA/CRs were established before 1986, although the vast majority of the CEs and tourist shops (86% and 71% respectively) were established after 1987 (Table 7.5). This was not unexpected since for the tourism development of a destination, accommodation units and travel agencies are established first to provide lodging and travel services to tourists, followed by support businesses. Size of AEs did not present any significant statistical association.

Table 7.5: Enterprises' year of foundation

	Before 1986 %	1987-1992 %	After 1993 %
<u>Prefecture</u>			
Chania	16	55	29
Heraklio	50	35	15
Lassithi	43	35	22
Rethymno	22	47	31
<u>Sectors:</u>			
Accommodation	42	44	14
TA/CRs	35	52	13
CEs	14	39	47
Tourist shops	29	38	33
Total survey (N = 145)	32	43	24

7.1.4 Demand for services and prices charged

To obtain an insight into the demand for services, owners/managers were asked to indicate the number of clients served by their enterprises in 1996. Unfortunately, only the AEs could provide such information, since all other sectors did not keep any customer records and it was difficult for owners/managers to make any estimation. Even the accommodation sector had a difficulty in providing comprehensive information on the number of guests accommodated and only a portion of the sample (33 out of 52) indicated that their establishments accommodated a range of 250 to 43,000 guests. On average each accommodation establishment accommodated 5,659 incoming tourists. However, this figure was distorted by establishments with relatively high figures, since the median was only 2,500. More specifically, 36 percent of AEs accommodated 1,500 incoming tourists or less, 30 percent from 1,500 to 4,000, and 33 percent over 4,000 (Table 7.6). There was no statistically significant association with location.

Table 7.6: Number of incoming tourists accommodated at the AEs

	N	%
Less than 1,500	12	37
1,501-4,000	10	30
4,001+	11	33
Total accommodation sector	33	100

It is difficult to construct an accurate indicator of direct income from foreign tourists, as well as to examine the demand aspects for services, since enterprises

may serve domestic tourists, local residents and international tourists. As Murphy (1985) states, “certain industries which sell a large proportion of their output to tourists, such as transport, accommodation and entertainment, are not exclusively tourism industries, for they sell these services to local residents as well” (p.9). Therefore, owners/managers were asked to indicate the percentage of international tourists among their clientele. As Table 7.7 demonstrates, 44 percent of the enterprises received 91 percent and over of their turnover from international tourism and only 18 percent received 60 percent or less (Mean = 83.1). The only quite strong association (Cramer’s $V = .644$) found was among different sectors. AEs were the most dependent on international tourists, since 63 percent of them received 91 percent or over of their turnover through international tourists, although CEs were the least dependent with 33 percent having received less than 60 percent and only 19 percent having received 91 percent and over. This confirms that the most tourist enterprises in the sample areas, with a small exception some CEs, were highly dependent on international tourism for their turnover.

Table 7.7: Proportion of turnover coming from international tourism

	Less than 60% %	61-90% %	91+ %
Sectors:			
AEs	8	29	63
TA/CRs	19	36	45
CEs	33	48	19
Tourist shops	19	47	34
Total survey (N = 142)	18	38	44

Another salient feature of tourism demand is the length of stay. It is essential for the tourist authorities to be aware of the length of tourists stay, as it can indicate, to some extent, tourist expenditure (Papadopoulos, 1985a; 1985b). Therefore, hoteliers were asked to estimate their guests’ average length of stay. 35 percent of AEs had an average length of stay seven days or less, 38 percent, 10 days, and 27 percent from 11-14 days (Mean = 9.2). It is evident that AEs have a quite high average length of stay since their clientele is mainly international tourists coming to the island for one or two weeks package holidays. No significant difference was found among average length of stay within location and different size AEs.

Price of the product offered can be considered an essential factor of tourists' choice. A small variation in price may enormously influence tourist demand for a destination, because of the high elasticity of demand found in the tourism sector (Mathieson and Wall, 1982; Truett and Truett, 1987; Pearce, 1989; Cooper et al., 1998). In Greece, the Hellenic National Organisation (HNTO) specifies regulations for minimum prices charged for rooms or apartments by AEs according to the category to which they belong. In the case of an establishment wanting to charge higher prices than the minimum shown in Appendix N, these prices should be declared to the HNTO. Hoteliers may offer up to a 30 percent discount on their declared prices for individual clients and up to a 50 percent discount for organised groups and allotment contracts, under the condition that the offered prices will not be lower than the minimum, prices set by the HNTO (Papadimitris, 1994; Hellenic Hotel Chamber, 1996). However, research on 'actual pricing policies' in the Greek hotel sector is enormously difficult, because hoteliers, in an attempt to reduce the lost revenue accruing from rooms remaining unsold, are very often forced to reduce prices by offering discounts to tour operators (Buhalis, 1995). This policy is in contravention of Law 642/1977, which imposes measures, such as fines, removal of operational licence and reduction of category on law-breakers.

In Crete the pricing policy of AEs is characterised by a system of three periods - high, medium and low - with different prices for each of them. Therefore, hoteliers were asked to indicate the lowest and highest prices for a double room, in 1996 without any extra arrangements during the low and high season by independent and organised tourists. Unfortunately, approximately 20 percent of owners/managers questioned were reluctant to indicate the real prices charged, regarding them as 'strictly confidential'. As Table 7.8 shows, during the high-season, 27 percent of units charged on independent tourists less than 11,000 Greek Drachma (GRD) and 44 percent from 11,001-17,000 GRD for a double room. On the other hand, prices for the same season were on average 34 percent lower for organised tourists, with 30 percent of AEs charging less than 7,600 GRD and 40 percent from 7,601-10,000 GRD. Prices were lower during the low season for independent and organised tourists (on average 27% and 31% respectively). As a

result, 31 percent of independent tourists paid less than 8,000 GRD, and 41 percent from 8,001-14,000 GRD. On average, organised tourists paid 38 percent less than independent tourists during the low season. 32 percent of units were charging less than 5,000 GRD and 36 percent from 5,001-8,000 GRD. However, although independent tourists bring higher economic benefits to the AEs, their share in bednights is very low, due mainly to the inability of the Cretan tourism industry in creating mechanisms that would increase their demand, e.g. promotional campaigns, cultural activities and festivals.

Table 7.8: Variance in AEs' room rates

HIGH SEASON				LOW SEASON			
Independent tourists		Organised tourists		Independent tourists		Organised tourists	
Prices (GRD)	%	Prices (GRD)	%	Prices (GRD)	%	Prices (GRD)	%
Less than 11,000	27	Less than 7,600	30	Less than 8,000	31	Less than 5,000	32
11,001-17,000	44	7,601-10,000	40	8,001-14,000	41	5,001-8,000	36
17,001 +	29	10,001 +	30	14,001 +	24	8,001 +	32
Mean = 17,515		Mean = 11,503		Mean = 12,774		Mean = 7,973	
N = 41		N = 40		N = 42		N = 41	

7.1.5 Sources of capital

It is evident that for the expansion of the tourism industry a significant role is played by the public sector through the provision of incentives for the establishment of tourist enterprises. To identify if the public sector has provided financial help to the establishment of tourist enterprises in Crete (e.g. through bank loans), respondents from the business sector were asked to indicate the source(s) of capital used by their enterprises for setting up. More than one third of the entrepreneurs have been reliant on more than one source of capital in setting up their properties. These sources included: personal and family savings (85%), bank lending (39%) and inheritance (14%) (Table 7.9). The predominance of private capital used by entrepreneurs in setting up their business is a further indication of the relatively low conditions of entry in some types of enterprises of the tourism industry and the lack of financial help from the public sector. More than 80 percent of entrepreneurs in all sectors, apart from accommodation, used their own savings as the main source of capital, and a smaller share (ranging from 4% to 26%) used bank loans and inheritance. In the accommodation sector,

private capital was used by 80 percent of hoteliers, although finance was also commonly provided through a bank (82%). As a result, it can be assumed that financial help has been provided for the construction of AEs, while the other types of enterprises have not received any significant help. This might be attributed to the need for high capital investment for the construction of AEs that most of the time is not easy to obtain without support from the state, whereas the capital required for the establishment of the other types of enterprises is much lower that can be invested individually.

Table 7.9: Source of capital by sector

	AEs %	TA/CRs %	CEs %	Tourist Shops %	Total %
Own Savings	80	84	86	94	85
Inheritance	20	16	4	12	14
Bank Loan	82	26	18	9	39
Private Loan	2	3	4	0	2
Total (N = 141)	184	129	112	115	140

Note: responses do not add up to 100%, due to multiple answers.

7.2 KEY CHARACTERISTICS OF OWNERS/MANAGERS

Before any presentation of the key characteristics of owners/managers takes place, it is necessary to refer to the statistical measures used to identify differences in their characteristics and perceptions. As previously, to identify enterprise characteristics, three independent variables were used: location, sector and size of AEs, the same variables will be used to identify differences in owners'/managers' perceptions and characteristics. As statistical measures between one nominal and one ordinal or nominal variable χ^2 tests and Cramer's V were used, and for two ordinal Spearman's ρ correlation coefficient. The results of these tests are shown in Appendices O and P.

To compare statistical significance between an independent (ordinal or nominal) and an interval variable ANOVA tests were used. Tables Q1 to Q3, in Appendix Q, show the results of the ANOVA tests. The Figures Q1 to Q3, in Appendix Q, illustrate diagrammatically the mean scores of the three independent variables. The numbers on the horizontal axis are the statement numbers. The Figures are

divided into sections (I-IV) which correspond to role of tour operators, impacts of tourism, development options and satisfaction from business income. There is a corridor of uncertainty between 2.5 and 3.5 as respondents may tend not to want to provide answers at the extreme ends of the scales.

7.2.1 Position of respondents

The business survey was addressed to the managers or owners of enterprises. As Koufopoulos and Morgan (1994) suggest, in most private enterprises in Greece, management consists of family members who both own and manage the company. Moreover, in this survey, the proportion of owners among the respondents was higher (69%) compared to managers (31%). As Table 7.10 indicates the tourist shops and the CEs had higher percentages of owners within the respondents (approximately 89%), although the percentage of owners was lower (56%) for the AEs, with the lowest (53%) for the TA/CRs (Cramer's $V = .364$). There was also a quite strong positive association (Cramer's $V = .749$) between position of respondents and size of AEs, with 95 percent of respondents from small AEs being the owners, although the percentage was lower (62%) for medium-sized AEs and the lowest (6%) for the largest ones (Table 7.10). As previously Buhalis (1995) suggested the management of small tourist enterprises in Greece is undertaken by the owner and his family, although larger enterprises tend to employ experienced managers. The accommodation sector has been influenced by legislation, since AEs of greater than C' category and more than 200 rooms, are required by law to employ a qualified manager, when the owner does not have the educational background to manage the unit.

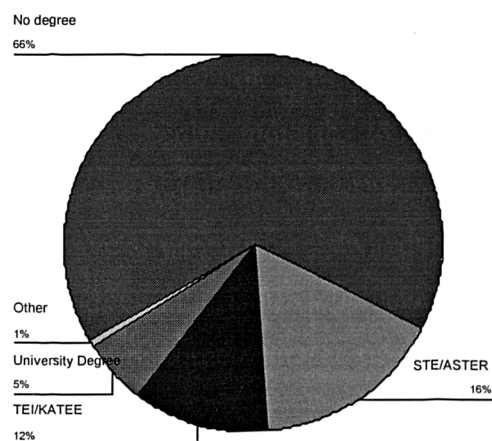
Table 7.10: Position of respondents

	Owner %	Manager %
<u>Sectors:</u>		
Accommodation	56	44
TA/CRs	53	47
CEs	89	11
Tourist shops	88	12
Total survey (N =146)	69	31
<u>Size of AEs:</u>		
Small	95	5
Medium	62	38
Large	6	94
Total AEs (N = 52)	56	44

7.2.2 Tourism education and work experience

The survey has also given attention to the educational background of owners/managers and as the results indicate, tourism education was not an important *pre-condition for entry into the tourism industry, since 66 percent of* owners/managers did not have any tourism-related education (Figure 7.1). Among owners/managers with a degree in tourism, 16 percent had studied for a minimum of six months to a maximum of three years at a School of Tourism Enterprises (STE/ASTER) run by the HNTD, 12 percent at a Technological Educational Institute (TEI/KATEE) for 3.5 years and only five percent had obtained a university degree.

Figure 7.1: Tourism education



A cross-tabulation of educational background with sectors (Cramer's $V = .357$) indicates a higher proportion of owners/managers (56%) within the accommodation sector having tourism-related education, while only 31 percent or fewer of owners/managers within the other sectors having received a degree in tourism, with the lowest (15%) for the tourist shops (Table 7.11). Obviously small enterprises do not require an educated manager or owner to run the business. This is evident in the accommodation sector, where a moderate positive relationship exists (Spearman's $\rho = .470$), with owners/managers of larger establishments being more likely to have a degree in tourism, compared with owners/managers from smaller establishments. Testing to location did not reveal any relationship.

Table 7.11: Owners/managers with tourism education

	No degree %	Tourism Degree %
Sectors:		
Accommodation	44	56
TA/CRs	69	31
CEs	79	21
Tourist shops	85	15
Total survey (N = 146)	66	34
Size of AEs:		
Small	68	32
Medium	50	50
Large	12	88
Total accommodation sector (N = 52)	44	56

Another question concerned the years worked by owners/managers within the business. The majority (71%) of owners/managers joined the business from 1988 onward. As shown in Table 7.12, significant associations (quite weak) were found between the year that owners/managers joined the business with location of enterprise (Cramer's $V = .245$) and size of AEs (Spearman's $\rho = .297$). Approximately 40 percent of owners/managers from enterprises in Heraklio and Lassithi had joined the business before 1987, although the percentage was lower for owners/managers from the enterprises located in Chania and Rethymno (10% and 19% respectively). This can be explained in conjunction with the finding that the majority of enterprises located in the Prefectures of Heraklio and Lassithi were established earlier compared to the other two Prefectures. On the other hand, 47 percent of owners/managers of small establishments joined the business before

1987, although the percentage was lower (23%) for owners/managers from larger establishments. Obviously, since the vast majority of respondents from small units were the owners they may be the founders of the unit, although many of the respondents, mainly managers, from the larger establishments, might have moved from another business. Type of enterprise did not show any significant statistical association.

Table 7.12: Working years within the business

	Before 1987 %	1988-1992 %	After 1993 %
<u>Prefecture:</u>			
Chania	10	45	45
Heraklio	41	29	29
Lassithi	40	18	42
Rethymno	19	50	31
Total survey (N = 146)	27	36	33
<u>Size of AEs:</u>			
Small	47	33	20
Medium	40	40	20
Large	23	18	59
Total accommodation sector (N = 52)	36	31	33

Although one third of respondents joined the business after 1993, they might have acquired relevant skills through previous work experience, since 34 percent had been working in the tourism industry for between 7-12 years and 23 percent over 19 years. Only 23 percent have been working for less than six years. Industry experience amongst those responding ranged from one to 34 years, with an average of 12.1 years. No statistically significant association exists between years working in the tourism industry and any of the three groups.

7.2.3 Length of residence

The literature suggests that expatriate management, workforce and ownership of tourist enterprises increase the leakage of money out of the local economy. Therefore, a main concern of the business survey was to investigate the geographical mobility of owners/managers in order to identify the degree to which the tourism industry attracted investors and/or workforce from outside the island. The percentage of in-migrants in the business survey was 35 percent.

Owners/managers moved to the island on average 15.8 years ago, with the longest 35 years ago. Almost half of the owners/managers had moved to Crete from Athens indicating that the largest city of Greece has played a significant role in the ownership/management of the tourism industry in the study areas. However, slightly over 20 percent of owners/managers have moved to the island from other Greek regions, and the remainder from abroad, mainly Germany and USA. This influx of in-migrants can be attributed to the Greek government's development policy since 1960, which used tourism as a tool for re-habitation, and encouraged the return of emigrants who migrated between 1961 and 1971 to other large urban cities of Greece and abroad (Kousis, 1984; Eurostat, 1994).

As Table 7.13 shows, there is only one significant association between Prefecture and owners/managers life-long residence (Cramer's $V = .249$), with Heraklio having the highest proportion (82%) of life-long residents among owners/managers, followed by Chania (71%). The Prefectures of Lassithi and Rethymno had a smaller share (55% and 53% respectively). It was evident that because the Prefectures of Heraklio and Chania have a higher population size, there was a higher availability of entrepreneurs to invest and managers to work in the tourism industry, compared to the other two Prefectures, where the population density was lower. As a result, the Prefectures of Lassithi and Rethymno had to attract a higher proportion of expatriate management and outside investors to their tourism industry. Sector of activity and size of AEs did not represent any significant statistical association with length of residence.

Table 7.13: Owners/managers life-long residence in Crete

	Yes %	No %
<i>Prefecture:</i>		
Chania	71	19
Heraklio	82	18
Lassithi	55	45
Rethymno	53	47
Total survey (N = 146)	65	35

The business survey reveals that the tourism industry has acted as a magnet for the attraction of a significant number of owners/managers, since the most frequent

reason given by owners/managers for their choice to live in Crete was business creation and/or employment opportunities (43%). Additional reasons mentioned were repatriation/in-migration (31%), family reasons (16%) and other reasons (10%), such as 'I liked Crete', 'Cretan weather' and 'Cretan way of life'.

Length of residence is negatively correlated with AEs size ($\rho = -.310$). As establishment size increases, the proportion of owners/managers who had lived longer on the island decreases. More specifically, the smaller sized AEs had a higher percentage of respondents (79%) having lived all their life in Crete, although the percentage was 50 percent and 47 percent respectively of respondents from medium and large AEs (Table 7.14). Since the vast majority of respondents from large AEs were managers and small businesses owners, it can be assumed that large AEs have attracted expatriate management, although smaller AEs are usually owned by life-long residents (locals). These findings are similar to the findings of studies in Bali, Indonesia (Cukier, 1996) and in Samui, Thailand (Kontogeropoulos, 1998). Location and sector did not represent any significant association with length of residence.

Table 7.14: Length of residence

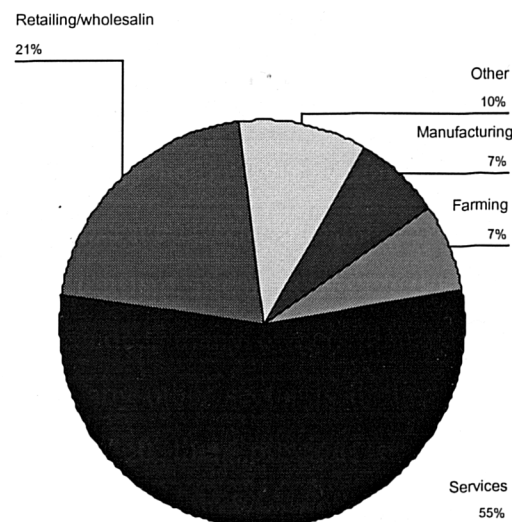
	15 years or less %	16 years + %	All life %
<i>Size of AEs:</i>			
Small	10	10	79
Medium	12	38	50
Large	41	12	47
Total accommodation sector (N = 52)	21	19	60

7.2.4 Employment background

As earlier studies have shown, (e.g. Peppelenbosch and Tempelman, 1989; Kontogeropoulos, 1998), very often residents leave their traditional occupations for employment in the tourist industry, since tourism employment is perceived as more glamorous. As a result, rural areas are being abandoned and the coastal tourist areas are becoming overcrowded. In order to investigate the level of workforce attracted from other industries, Figure 7.2 summarises the occupations

of owners/managers before starting work in the tourism industry. Most residents (60%) had never worked in any other industry or they were housewives or students in full-time education before being employed in tourism. As a result, since the majority of owners/managers were not involved in any other activity before being employed in tourism, it can be assumed that, if the tourism industry of the island had not expanded, many owners/managers would be unemployed, given that employment in any other sector is limited on the island. Among the owners/managers who had left their previous occupation for employment in tourism, the tourist sector drew workforce from services (55%), retailing/wholesaling (21%), manufacturing (7%) and farming (7%).

Figure 7.2: Previous occupation of owners/managers



From a series of cross-tabulations between previous occupation of owners/managers and the three groups, only one significant statistical association was recorded with size of AEs (Cramer's $V = .347$). The majority of small AEs have attracted their workforce from services (47%), although the vast majority of respondents from medium and large AEs did not have any other profession (Table 7.15). It might be assumed that respondents from small AEs (who were mostly owners) were stimulated by the low barriers of entry in the tourism industry (Shaw and Williams, 1988), since the establishment of some types of tourist enterprises does not demand high capital investment to create employment

(Mings, 1969; Brown, 1985; Culpan, 1987; Hall, 1994), and experience and education are not pre-conditions for ownership in the tourism sector (Shaw and Williams, 1988). Consequently, since the tourist sector in Crete is considered an easy source of income (Herzfeld, 1991), they might have decided to leave their employment in services, or after retirement to invest in a small accommodation unit.

Table 7.15: Previous occupation

	None %	Services %	Other %
<i><u>Size of AEs:</u></i>			
Small	26	47	26
Medium	81	13	6
Large	71	18	12
Total accommodation sector (N = 52)	58	27	15

7.3 KEY CHARACTERISTICS OF RESIDENTS

Table 7.16 presents the socio-demographic characteristics of the residents who participated in the survey and the socio-demographic characteristics of the Cretan population taken from the last census. As Table 7.16 suggests, it is difficult to make any comparisons for the representativeness of the sample because of limited official data. Even when data exist they are too old, dating from the 1991 census, or they are concerned with the whole island and not only the areas under investigation.

Table 7.16: Socio-demographic characteristics of the sample

	N	Sample %	Census 1991 %
<u>Gender:</u>			
Male	114	59	50
Female	80	41	50
<u>Age:</u>			
18-24 years (for census 16-24)	35	18	17
25-34 years	55	29	26
35-44 years	40	21	23
45-54 years	36	19	17
55+ years	24	13	16
<u>Education:</u>			
No formal education	2	1	16
Elementary school	22	11	44
Middle School	19	10	11
High School	76	39	17
TEI/KATEE	23	12	2
University degree	36	19	5
Postgraduate degree	5	3	*
Other	11	7	5
<u>Income:</u>			
Less than 3,000,000 GRD	103	53	N/A
3,000,001-6,000,000 GRD	72	37	
6,000,001-9,000,000 GRD	11	6	
9,000,001-12,000,000 GRD	4	2	
Over 12,000,000 GRD	4	2	
<u>Employment Status</u>			
Employed	150	78	N/A
Retired	16	8	
Unemployed	7	4	
Homemaker	8	4	
Student	12	6	
<u>Type of Employment</u>			
Professional/technical	21	13	11
Managerial/administrative	15	9	1
Services	34	21	12
Clerical	21	13	9
Sales	29	18	9
Manual trades	30	19	55
Other	9	6	3
<u>Length of Residence</u>			
Life-long	141	73	N/A
16 or over	31	16	
15 or less	22	11	

* Less than 1%.

Note: Percentages do not always total 100% due to rounding

Gender: The sample obtained in this survey over-represented the male segment (59%) of the total population, proportionally to the last census. This may have been influenced by the higher freedom of Cretan males to open their doors and talk to a foreigner compared to females.

Age: The majority (29%) of residents belonged in the 25-34 age group, followed by 21 percent in the age group 35-44 and 19 percent in the group 45-54. The group over 55 had the lowest proportion of respondents (13%). There is a

difficulty for comparisons, because the census has an age group of 16-19, although the questionnaire was addressed to residents of 18 years or above. However, it can be said that the younger age segments are slightly over-represented and the older slightly under-represented, possibly as older aged Cretans do not respond to interviews and younger population has a higher interest in tourism.

Educational background: The resident survey enquired as to the highest level of education achieved. The population was quite well educated, with approximately more than one third of residents having a TEI/KATEE or university degree and almost four out of 10 having finished high school (12 years in education). Only one percent of residents had no formal education, 11 percent had completed elementary school (six years in education) and 10 percent had completed middle school (nine years in education). When this distribution is compared with that of the census data, it is seen that the sample under-represents the less-educated groups (no formal education and elementary school) while over-representing those with a degree. This was not unexpected for the reason that the survey was undertaken in the urban centres of the island where the most educated people live. Therefore, if the rural areas of the island had been included in the survey, the results may have approximated the census.

Income. The population was low-income since more than half of respondents had an income of less than 3,000,000 GRD and 37 percent an income of 3,000,001 to 6,000,000 GRD. On the other hand, only one respondent out of 10 had an income of over 6,000,000 GRD. No comparison with official statistics is possible because of a lack of data.

Employment: 78 percent of respondents were employed, eight percent retired, six percent students, four percent homemakers and four percent unemployed. NSSG (1999) estimated the unemployment rate as a percentage of the total workforce for 1997 to 4.8, identical to the results of the survey, when unemployment rates are calculated as a percentage of employed respondents. Among the employed, 26 percent were engaged in the tourism industry, 12 percent in hotels and 14 percent in other tourism-related organisations. Regarding employment in non-tourism organisations, 26 percent were employed in a service organisation, 20 percent in a government/public organisation, 16 percent in retailing/wholesaling and 11

percent in construction/manufacturing/farming. Of those actively employed, 21 percent listed their jobs as services, 19 percent manual trade, 18 percent sales, 13 percent clerical, 13 percent professional/technical and nine percent managerial/administrative. No reliable comparison of respondents' employment with official data is applicable, since the most recent data again dates from 1991 census. However, since then the island's service sector and mainly the tourism industry, has been expanded rapidly, (e.g. from 1991 to 1997 arrivals on charter flights have increased by 51%), and consequently the number of tourist employees has increased. Additionally, as mentioned above, the census data relate to the entire island, although the residents' survey was undertaken in the four major urban centres. As a result, residents engaged in services and sales are over-represented and employment in manual trades is under-represented.

Length of residence. The largest single concentration of individuals (73%) had lived all their life on the island. In the life-long residence category are included respondents with absence from the island for military service or studies, due to the short duration and compulsory character of the movement. On the other hand, 11 percent had resided on the island for 15 years ago or less and 16 percent over 15 years. On average, they moved 19.2 years ago with the longest 48 years ago. As previously the majority of owners/managers had moved to the island from Athens, so was with residents that 60 percent were living in Athens before coming to the island. The remainder (25%) came from other Greek regions and 15 percent from abroad. The major reasons mentioned for moving to the island included: family reasons (40%), repatriation/in-migration (26%) and employment/business opportunities (23%). The percentage of residents in the four cities that came to the island for employment/business opportunities was lower compared to owners/managers, indicating that on average the tourism industry attracted more in-migrants compared to the other sectors.

As Chapter Three highlights, different socio-demographic and other related groups of the population perceive differently tourism impacts. In an attempt to examine differences in perceptions among residents belonging to groups with different demographic and socio-economic characteristics, respondents were divided into the following seven sub-groups (independent variables):

1. City of residence: namely Heraklio (N=55), Chania (N=50), Rethymno (N=50) and Agios Nikolaos (N=36);
2. Length of residence life-long residents (N=141) and newcomers (those who moved to the island from another region) (N=53);
3. Gender: males (N=114) and females (N=80);
4. Age: from 18 to 30 years old labelled as young-aged (N=70), from 31 to 44 labelled as middle-aged (N=60), and over 45 labelled as old-aged (N=60);
5. Educational achievement: those with 11 years or less education, labelled as less-educated (N=43), those with 12 years education labelled as medium-educated (N=81) and those with over 12 years education, labelled as highly-educated (N=70);
6. Employment reliance on tourism: residents that their job has not been affected at all by tourism, labelled as non-reliant (N=87), and those that their job has been affected from very little to very much, labelled as reliant (N=106);
7. Income: those with an income of 3,000,000 GRD or less, labelled as low-income (N=103), and those with an income of over 3,000,000 GRD labelled as high-income (N=91).

Using the above subgroups as independent variables, χ^2 together with Cramer's V tests were performed for one nominal and one nominal or ordinal variable. The results of the χ^2 and Cramer's V are shown in Appendix R. To compare statistical significance between one of the above independent variables and one interval variable t-tests (when the independent had 2 groups), and ANOVA tests (when the independent had more than 2 groups) were performed. Tables S1 to S7 in Appendix S show the results of the t and ANOVA tests. The Figures S1 to S7 in Appendix S illustrate diagrammatically the mean scores of the groups. The numbers on the horizontal axis are the statement numbers. The Figures are divided into sections (I-V) which correspond to social, economic, environmental, overall impacts of tourism and development options.

7.4 CONCLUSION

The findings of the survey suggest that tourism enterprises in Crete are small or medium-sized, independent and they do not belong to any group. Exception to this, were some of the large AEs. The majority of entrepreneurs established their business after 1986, perhaps due to incentives given by the law 1262/1982 and the evolution of mass tourism. However, regional differences were found with almost half of the enterprises in the Prefecture of Heraklio and Lassithi having been established before 1986, indicating that these areas have an older tourism industry. The vast majority of enterprises received more than 60 percent of their turnover from international tourism, indicating their dependence on foreign markets. The entrepreneurs relied heavily on personal rather than institutional capital, a process facilitated by low entry requirements in terms of capital, in the tourism industry. In contrast, quite a high number of AEs and a lower number of TA/CRs relied apart from personal savings, on bank loans. Finally, AEs charged higher prices for independent tourists for all seasons, although prices were higher during the high-season for both organised and independent tourists.

The majority of respondents within the business survey were owners. An exception was the accommodation sector, mainly the large establishments and slightly more than half of travel agencies/car rentals, where the respondents were the managers. Most owners/managers did not have any tourism-related education, although they had work experience, since almost 80 percent had worked in the tourism industry for more than seven years and 67 percent had joined the business before 1992. The majority of owners/managers were locals with the exception of approximately half of the respondents in the large and medium sized AEs. Undoubtedly, tourism in Crete has eliminated the migratory patterns of the past and attracted in-migrants from other Greek areas and abroad. Among the owners/managers who were previously employed in another industry, the majority were drawn from services.

On average, the majority of residents were well-educated and of a low-income, had lived on the island all their life and slightly more than half had a reliance on

tourism employment. Attempts to test the representativeness of the sample were unsuccessful because of a lack of official data for the study areas.

After the presentation of the key characteristics of enterprises, owners/managers, and residents, the next two chapters further investigate the outputs and outcomes of tourism development on the island and the perceptions of the local community of tourism development.

CHAPTER EIGHT: OUTPUTS AND OUTCOMES OF THE DEVELOPMENT AND PLANNING PROCESS

8.0 INTRODUCTION

For the tourism development of a destination, a vital role is played by residents who live with tourism and its impacts, enterprises that provide facilities and services to tourists and local authorities that make planning and development decisions on tourism. The aim of this and the next chapter is to present the results of surveys based on personal interviews with 194 residents, 146 tourism entrepreneurs/managers, and 25 local authority officials from Crete. This chapter will explore the findings of the surveys dealing with the outputs and outcomes of the development and planning process in order to see if the tourism development of the island has provided benefits and/or costs for the local community. It does this in five sections covering: an investigation of tourism outcomes; the problems faced by the Cretan tourism industry; the attempts made to overcome these problems; the plans of tourism enterprises for expansion and the local authority activities for tourism development.

In this chapter to identify statistical significant relationships between dependent and independent variables χ^2 tests; Cramer's V; Spearman's ρ ; and ANOVA tests were used where appropriate.

8.1 TOURISM OUTCOMES

8.1.1 Outcomes for family and society

As the literature suggests tourism development has various impacts on residents life. Therefore, the household survey asked respondents if their family has been affected by tourism. 38 percent of residents answered positively. The following significant associations were found between respondents' family affected by tourism and three out of the seven independent variables (Table 8.1):

- City (Cramer's $V = .336$). Not surprisingly, 69 percent of residents from Agios Nikolaos reported their family as being influenced by tourism. Conversely, approximately 73 percent of respondents from Heraklio and Chania considered tourism as not having important impacts on their family.
- Age (Cramer's $V = .179$). The families of middle-aged residents were mostly affected (47 percent), while the families of young-aged were the least affected (27%).
- Employment reliance (Cramer's $V = .148$). As was expected, reliant residents' families were mostly affected (44%) compared to non-reliant (30%).

Table 8.1: Family affected by tourism

	Yes %	No %
<u>City:</u>		
Heraklio	27	73
Chania	26	74
Rethymno	38	62
Agios Nikolaos	69	31
<u>Age:</u>		
Young-aged	27	73
Middle-aged	47	53
Old-aged	43	57
<u>Employment reliance:</u>		
Non-reliant	30	70
Reliant	44	56
Total survey	38	62

Respondents were also asked to indicate the ways their family had been affected by tourism. Table 8.2 presents the responses to this question. The figures contained in this table pertain only to respondents who declared that tourism affected their family. Examination of the ways that residents' family have been affected by tourism reveals that economic benefits dominate. In particular, residents indicated that their families were affected through income (47%) and employment (34%). As one female resident from Agios Nikolaos declared:

In this city, we live on tourism. I've got five children. All of them are involved in tourism activities. Three of my sons have a small ship. They guide tourists around the coast and so they make their living. My husband is a taxi driver. He works only

during the summer with tourists. In the winter there are no employment opportunities and the city is empty. Only a small number of locals stay here.

This confirms what was earlier reported in the literature, that a high share of the islands' population is dependent on tourism for employment and income.

Table 8.2: Ways that respondents' family have been affected by tourism

	No of Responses	%
Income/Financial	33	47
Employment	24	34
Social	18	26
Indirect	5	7
Increase in prices	2	3
Total responses (N = 70)	82	117

Note: responses do not add up to 100%, due to multiple answers.

Consequently, 26 percent of residents suggested that their social life has been affected by tourism, because through tourism expansion there has been an increase in crime, e.g. foreign criminals have been attracted to tourist areas. There is also a laxity in morals; e.g. nudism and an increase in sexual freedom on the part of locals because of contact with tourists. It was mentioned that because of the often immoral behaviour of female tourists, many local men become promiscuous (proceed in sexual fishing - kamaki). However, a few residents found some positive impacts of tourism on society. As one female resident from Agios Nikolaos stated:

Two of my sons are married to foreign women. Both of my daughters-in-law came first to Agios Nikolaos as tourists. They met my sons and felt in love. They have lived together for several years, they've got children and they are very happy.

However, other residents expressed concern about the demonstration effects of tourism on the local population, with the younger generation adopting foreign habits, identified in the literature as some of the negative social impacts of tourism on the island. Other influences reported (from less than 10% of respondents) included indirect income/employment through tourism and an increase in prices because of tourist demand.

In summary, residents placed more emphasis on the financial and employment benefits of tourism for their family than the social costs, indicating that the economic returns of tourism outnumber the social costs.

8.1.2 Outcomes for employment and income

As mentioned above, employment and income are the two major ways that residents' families have been affected by tourism. Bearing these in mind many governments have attempted to expand the island's tourism industry in order to increase the host population's welfare and to decrease emigration. To investigate the success of governments in doing so, the residents' questionnaire was concerned with the extent to which residents and their families had benefited from employment in tourism. The findings indicate that 26 percent of residents were directly employed in the tourism industry (Table 8.3). A series of cross-tabulations were performed in order to investigate if some groups had received more benefits, because of employment in tourism, than others. Only one quite weak association (Cramer's $V = .321$) was found with city of residence, as the percentages of residents from the cities of Agios Nikolaos and Rethymno employed in the tourism industry were higher (42% and 41% respectively), compared to residents of the cities of Heraklio and Chania (16% and 11% respectively). This was not unexpected since the cities of Agios Nikolaos and Rethymno are smaller than the other two and their alternatives for employment in any sector other than tourism are limited.

Table 8.3: Organisation employed

	Tourism %	Non-tourism %
<i>City:</i>		
Heraklio	16	84
Chania	11	89
Rethymno	41	59
Agios Nikolaos	42	58
Total survey (N = 194)	26	73

The residents' responses indicate that tourism not only creates jobs in the tourism industry, but since the island has tourism as one of the major sectors of the

economy, indirect employment has been generated in other sectors. As a result, some residents employed in non-tourism occupations, but servicing tourists, defined themselves as employed in tourism, for example, a taxi driver and a dry cleaner in the city of Agios Nikolaos, who were engaged in a significant volume of service provision for the tourist industry, declared themselves as being employed in tourism, confirming that tourism creates employment in some other economic sectors.

Since the jobs of some residents not directly employed in tourism are influenced by tourism activity, residents were asked to indicate the way that tourism affects their jobs. This question was addressed only to those individuals who indicated that their job was influenced by tourism. Table 8.4 shows that the four major impacts identified to be income generation (49%), employment (24%), direct influence through sales of services/products to the tourism industry (13%) of the enterprises where respondents were employed/owned and indirect sales in the tourism industry (33%).

Table 8.4: Ways that respondents' job has been affected by tourism

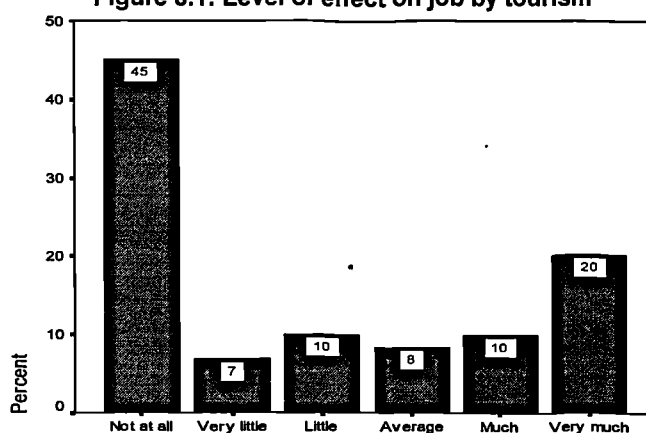
	No of Responses	%
Income/Financial	37	49
Indirect	25	33
Employment	18	24
Direct	10	13
Total responses (N = 75)	90	120

Note: responses do not add up to 100%, due to multiple answers.

In summary, residents' jobs have been affected in similar ways to family (through direct and indirect income and employment), showing the significance of the tourism industry for many of the respondents' families. Besides, although one third of residents did not have any direct employment and did not receive income directly from tourism activities, the enterprises where they worked, or which they owned were providing indirect services/products to tourists or the tourism industry. Thus, the tourism industry has affected directly or indirectly many other sectors of the economy in the cities where the survey was undertaken, confirming its significance for these areas.

Based on the assumption of vested interest, the level of employment reliance in tourism is also recognised as affecting people's views. Therefore, one question of the residents' survey was concerned with the extent to which respondents' job had been affected by tourism. The majority (62% of respondents) stated that their job had been affected by tourism less than average (45% not at all; 7% very little; and 10% little), eight percent on average and 30 percent, much or very much (Figure 8.1).

Figure 8.1: Level of effect on job by tourism



Among the independent variables of the residents' survey, only city and age recorded quite weak significant associations with level of employment reliance on tourism (Table 8.5). Not surprisingly, 72 percent of residents from Agios Nikolaos were reliant on tourism employment, followed by 63 percent of residents from Heraklio (Cramer's $V = .251$), while the proportion was lower for residents from Rethymno and Chania (50% and 38% respectively). Regarding age (Cramer's $V = .256$), 72 percent of the middle-aged were reliant on tourism employment, although the percentages were lower for the young and old-aged (52% and 40% respectively).

Table 8.5: Level that job has been affected by tourism

	Non-reliant %	Reliant %
City:		
Heraklio	37	63
Chania	62	38
Rethymno	50	50
Agios Nikolaos	28	72
Age:		
Young-aged	48	52
Middle-aged	28	72
Old-aged	60	40
Total survey	45	55

Apart from personal reliance on tourism employment, 23 percent of residents indicated that one or more family members (spouse, children, or parents) were employed in tourism, mainly in hotels, tourist shops, restaurants, bars, coffee shops, or they considered them as employed in tourism, since they were working in non-tourism organisations, providing services or products to the tourism industry. In total, 34 percent of residents were either employed in tourism or/and had one to three members of their family employed in the tourism industry.

From the literature, it was evident that very often people engaged in tourism activities receive additional income from other activities. Therefore, the business survey questionnaire asked owners/managers if the owner of the business was employed or had interest in any other enterprise. As far as multiple economic activity is concerned, 23 percent of the enterprises' owners had a share in or owned other businesses. The second business of the owners' was related sectorally to their tourism enterprise (46%). Additionally, as Figure 8.2 illustrates, entrepreneurs had diversified interests in other non-tourism businesses, such as retailing/wholesaling (21%), services (12%) and farming (6%). The only quite weak association (Cramer's $V = .240$) found was between type of business activity and sectors. More specifically, one third of AEs' owners had a second business, followed by 28 percent of travel agencies/car rentals (TA/CRs) owners/managers, although the proportion was lower (14%) for catering establishments (CEs) owners and the lowest (9%) for tourist shops owners (Table 8.6). This links to the literature where Papadaki-Tzedaki (1997) found that in Rethymno, many olive-oil traders had been involved in hotelaria as a second

business activity. It is noteworthy that household work was not reported as a second employment because, in Crete, it is regarded as a part of everyday activity rather than work.

Figure 8.2: Type of owners/managers business activity

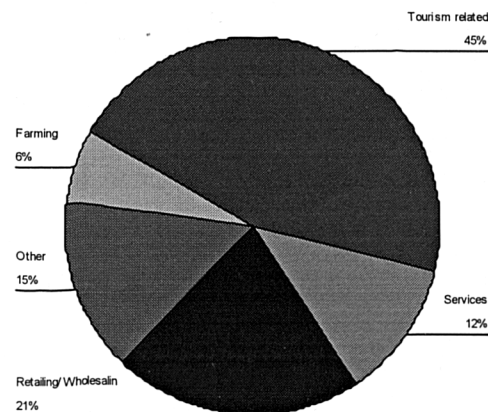
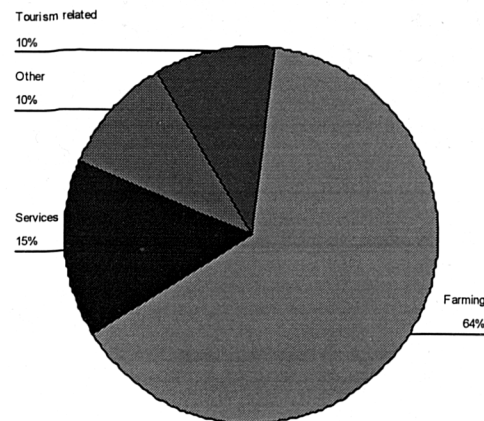


Table 8.6: Owners' multiple business activity

	Yes %	No %
Sectors:		
Accommodation	33	67
TA/CRs	28	72
Catering	14	86
Tourist shops	9	91
Total survey (N = 146)	23	77

Of enterprises' owners, 27 percent received additional income from second employment. Unfortunately, the real percentage of owners with second employment activity may be higher, because as previous studies in Greece found (e.g. Tsartas, 1989; Tsartas et al., 1995), respondents hide this, as second employment is usually unofficial. Those with a second job, worked in services (15%) and tourism (10%). However, as Figure 8.3 illustrates, the vast majority (64%) undertook farming activities during the winter months confirming what was stated earlier in the literature that on the island there is a type of multiple employment between tourism and agriculture. No relationship was discovered between second employment and any of the business survey independent variables.

Figure 8.3: Type of owners/managers second employment



To sum up, approximately one quarter of owners had a second business activity mainly related to tourism and retailing/wholesaling and a further quarter a second employment, mainly in agriculture.

To investigate the employment patterns of the tourism industry on the island, the business survey asked owners/managers to indicate the number of full-time employees in their enterprises (defined as those working more than 30 hours a week); the number of part-time employees (those working less than 30 hours); the number of seasonal employees (those working less than seven months a year); and the number of family members working in their establishments; as well as to distinguish between male and female. The aim was to identify if the criticism identified in the literature that tourism generates part-time and seasonal jobs held mostly by women, is relevant to Crete.

The number of employees within the sample enterprises varied from 1 to 265. In total, the 139 enterprises provided 1,313 jobs, yielding an average workforce size of 9.45 employees for each establishment. From this number, seven large hotels were excluded because they did not give any data on the number of their employees or they could not make any distinction between men and women. This causes problem of representation since data from larger hotels may vary from small and medium sized establishments. As Table 8.7 demonstrates, employment in the Cretan tourism industry is mainly full time (98%) and seasonal (80%). In

addition, the majority of employees are non-family members (78%), and more than half (54%) are women. On average every enterprise employs approximately 2.1 family members (1.12 men and 0.94 women).

Table 8.7: Employment in the tourist enterprises

Sector	Male		Female		Total	
	N	%	N	%	N	%
<u>Accommodation</u>						
Seasonal family members		11		7		9
Seasonal non family members		66		74		71
All year family members		4		2		3
All year non family members		19		16		18
Total	421	100	479	100	994	100
<u>Travel Agencies/Car Rentals</u>						
Seasonal family members		36		28		33
Seasonal non family members		49		38		45
All year family members		10		18		13
All year non family members		6		18		10
Total	72	100	40	100	112	100
<u>Catering</u>						
Seasonal family members		34		47		39
Seasonal non family members		46		30		40
All year family members		11		11		11
All year non family members		9		11		10
Total	85	100	53	100	138	100
<u>Tourist Shops</u>						
Seasonal family members		58		55		57
Seasonal non family members		29		26		28
All year family members		13		16		14
All year non family members		0		3		1
Total	31	100	38	100	69	100
<u>Total tourist enterprises</u>						
Seasonal family members		20		14		17
Seasonal non family members		59		66		63
All year family members		6		4		5
All year non family members		15		15		15
Total	608	100	705	100	1313	100

As shown in Table 8.7, within the sample enterprises, AEs had 994 employees in total, the CEs 138, the TA/CRs 112 and the tourist shops 69. Not surprisingly, AEs on average had the highest average number of employees (22.1), ranging from 2 to 265, although the average number for CEs was 4.9, from 2 to 13. On the other hand, the average number of employees for TA/CRs was 3.5, from 1 to 8, although the tourist shops had the lowest average number, with two employees, ranging from 1 to 6. Tourist shops labour is more dominated by seasonal employment (84%), although the other sectors showed a slightly lower percentage of seasonal labour (approximately 79%).

As far as family employment is concerned, the tourist shops had the highest proportion of family employees (71%), followed by CEs (50%) and TA/CRs (46%), while the accommodation sector had the lowest (12%). On the other hand, the accommodation sector had the highest proportion of female employment (58%), together with the tourist shops (55%). This was not unexpected since the accommodation sector in Crete employs a high number of females working as chambermaids (Theodosakis, 1994). Additionally, many tourist shops in Crete have been established by women. For example, Saulnier (1980) remarks that in Anoya, a Cretan village, women working manual looms, opened tourist shops and were selling their products to tourists. TA/CRs had a very high percentage of male employees (74%), used for the maintenance and driving of vehicles. The proportion of part-time employment was very low for all sectors (on average 2.4%) and included mostly family members that were working in the enterprises during their free time.

Regarding the number of family workforce in different size AEs, there is a moderate negative relationship (Spearman's $\rho = -.447$), with the smaller the accommodation establishment the higher the number of family employees. Usually, as Buhalis (1995) has found, the small AEs in Greece are operated mainly by the owner's family, with the help of a very small number of non-family, salaried employees. The male members of the family are usually responsible for the management, maintenance, supplies, bar, negotiation and signing up of contracts, as well as financial functions, although women are more involved in cleaning, cooking, serving and reception duties (Buhalis, 1995).

The 9,236 beds in the AEs used in the sample created 1,773 jobs, 5.2 beds per job. To calculate the ratio of beds per job, two AEs were excluded because of missing values. Among different size AEs, in the larger establishments, 4.4 beds created one job, the medium AEs created one job per 8.6 beds and the smaller AEs created one job per 7.9 beds. On the other hand, 186,761 incoming tourists created 1050 jobs in the AEs used in the sample (17.8 incoming tourists created one job). It should be noted that for the calculation 19 out of the 52 AEs were excluded because of unavailable data or because owners/managers could not estimate the

number of incoming tourists they accommodated. Therefore, no attempt was made to calculate the number of incoming tourists creating one job for different size AEs, since the figure may be biased by non-responses.

8.1.3 Shortage/mobility of labour in the tourism industry

Research undertaken states that the host population often leaves its traditional occupation for tourism employment (Peppelenbosch and Tempelman, 1989; Clancy, 1999). Therefore, officials were asked to identify whether in Crete local residents have abandoned jobs, for work in the tourism industry. As the results indicate, the majority of officials (16 out of 25) claimed that the tourism industry has drawn its workforce, mainly away from agriculture and it was stated that agricultural production in some areas of the island has declined. On the other hand, seven officials claimed that the tourism industry has attracted workforce from the handicraft industry, which has been declined and therefore most shops sell imported manufacturing products. Similarly, some traditional occupations, e.g. fishermen, shepherds, boatmen, hawkers, have been replaced by tourism-related ones, which are considered by locals to be more glamorous, easy-going and high-income (Herzfeld, 1991).

However, seven officials declared that the tourism industry has not attracted workers from other local industry, since when tourism development emerged there was an available unemployed workforce. As a result, the creation of employment opportunities to the tourism industry has reduced unemployment rates and emigration of the local population. Besides, four officials claimed that there is a seasonal balance between tourism and agriculture, with many locals working during the summer season in the tourism industry and the remainder of the year in agriculture, as it emerges from the business survey where a high proportion (64%) of owners with a second employment, was employed in farming.

In summary, tourism has attracted workers from agriculture, although opinions diverge regarding the attraction of employees from other sectors. At first sight, it may be assumed that officials' opinions run counter to the business survey, where

most of the owners/managers had a previous occupation in services. However, this might be explained by the fact that the business survey concerned owners/managers, while the tourism industry employs many unskilled staff that might have been attracted from farming.

Since tourism development creates an increase in tourist facilities, and a subsequent demand for qualified staff, it often creates a shortage of local labour (de Kadt, 1979; Tsartas, 1989; Cukier, 1996). Therefore, the local authorities' survey concerned the possibility of labour shortages in the island's tourism industry. 17 out of 25 local authority officials suggested that some labour shortages can be found. 15 of them mentioned shortages of skilled/managerial staff. This was also evident in the business survey where 47 percent of managers had moved to Crete from other places. It can be supposed that local managerial staff was not adequate and therefore labour was imported.

One respondent stated that shortages are evident only for experienced labour in alternative forms of tourism, such as mountaineering and trekking guides. Tourism policy is currently directed towards the promotion of alternative forms of tourism, in an attempt to diversify the tourism product, so it was suggested that attempts should be made to educate and train locals. Eight officials mentioned that over the last decade, the island's tourism industry had not faced any shortages, although one mentioned that existing labour needs further training and that public sector efforts should be focused on upgrading the quality of service provision. Finally, one official argued that there are shortages in all types of labour in the tourism industry.

In summary, the survey findings and the secondary data show that tourism expansion on the island has reduced unemployment rates and increased income for the local population. The employment base of the island has evolved from a traditional agricultural economy to a modern tourism-related economy. As a result, some 'old-fashioned' professions have reduced in size or have been abandoned and replaced by contemporary ones, showing that the island has followed the patterns of development suggested by the diffusion paradigm.

Finally, the island's tourism industry faces some shortages of labour, mainly in qualified staff.

8.1.4 Linkages/Leakages

Many studies have identified concern about the leakages and the low multiplier effects created by the tourism industry. For the development of an economy, one of the most important economic linkages is the geographical location of retailers and wholesalers supplying tourist enterprises. In an attempt to investigate the leakage resulting from tourist expenditure, owners/managers were asked to estimate the proportion of supplies bought within their locality, from other Cretan regions or outside Crete. As many studies have proven (e.g. Loukissas, 1982; Khan et al., 1990), larger economies are able to supply the tourism industry with more of the goods required by tourism enterprises, compared to smaller ones. Therefore, the main hypothesis of this section is that the Prefecture of Heraklio, the largest and most diversified economy of the island will receive the most benefits from the island's tourism development, since many of the enterprises used in the sample will buy their supplies from there. In addition, other large Greek cities such as Athens, the largest economy in Greece, will receive benefits from purchases made by Cretan enterprises.

As Table 8.8 highlights, tourist enterprises made a surprisingly large proportion of purchases on the island. In particular:

- There is a very high degree of linkage with Cretan production for the purchasing of *fresh foods*, with almost all catering and accommodation establishments bought all their fresh food supplies on the island. This was not unexpected, since as Chapter Five suggests, Crete has a very large and high quality agricultural production, sufficient to supply tourist enterprises with all their needs in fresh foods. Within the sample, 85 percent of enterprises purchased all fresh food supplies within their locality and only a minority purchased part or all fresh food supplies from other Cretan regions, with the main beneficiary being the Prefecture of Heraklio.

- Regarding other food purchases, more than 90 percent of enterprises purchased from the island, with 77 percent purchasing within their locality. Among other food purchases made out of the locality, Heraklio and Athens received the most benefits.
- 88 percent of enterprises purchased drinks from local retailers and wholesalers, although seven percent purchased all and five percent less than half of drink supplies from other Cretan regions, mainly Heraklio.
- 79 percent of owners/managers claimed that they secured all furniture supplies from local retailers and wholesalers. An additional seven percent secured less than half, although there was a small number of enterprises, which purchased all or less of their furniture supplies from other Cretan regions (10% from Heraklio and 3% from Chania) and an additional eight percent from Athens.
- Approximately 80 percent of the enterprises purchased all their linen, kitchenware and china locally, although approximately 10 percent purchased from other Cretan regions, mainly Heraklio, and approximately eight percent from outside the island, Athens.
- The vast majority (around 85%) of the properties purchased stationery and building materials locally and only approximately 11 percent were supplied from other Cretan regions, mainly Heraklio, and approximately three percent from outside the island, Athens.
- 61 percent of TA/CRs purchased car/bikes locally and the remainder purchased from outside their locality, 23 percent from Heraklio and 12 percent from Chania. On the other hand, 12 percent of enterprises purchased from outside the island, Athens.
- The highest leakage was found for supplies purchased by tourist shops with 47 percent being purchased from other Cretan regions (38% from Heraklio and 9% from Chania). On the other hand, all tourist shops purchased the majority, if not all, of their supplies from outside the island. Specifically, 15 percent of tourist shops purchased all their supplies and an additional 82 percent from 10 to 90 percent, from Athens, although 24 percent purchased 10 to 50 percent of supplies from Thessaloniki and 12 percent of tourist shops imported gold products from Italy.

Table 8.8: Purchase of supplies by enterprises

	Locally %	Elsewhere in Crete %	Outside Crete %
Fresh Food Purchases (N = 63)			
0%	5	85	98
1-50%	5	8	2
51-99%	5	2	
100%	85	5	
Other Food Purchases (N = 62)			
0%	13	87	92
1-50%	7	5	2
51-99%	3		2
100%	77	8	4
Drink Purchases (N = 72)			
0%	7	88	99
1-50%		5	1
51-99%	5		
100%	88	7	
Furniture Purchases (N = 108)			
0%	14	87	92
1-50%	7	3	2
51-99%		2	1
100%	79	8	5
Linen Purchases (N = 70)			
0%	18	87	91
1-50%	3	1	1
51-99%		1	
100%	79	10	8
Kitchenware and China Purchases (N = 76)			
0%	16	91	92
1-50%	3		1
51-99%			1
100%	81	8	5
Stationery Purchases (N = 82)			
0%	10	89	98
1-50%	4	1	
51-99%			2
100%	86	10	
Building Materials Purchases (N = 49)			
0%	8	88	96
1-50%	8	2	
51-99%		2	4
100%	84	8	
Car/Bikes Purchases (N = 26)			
0%	12	65	88
1-50%	12	31	8
51-99%	15		4
100%	61	4	
Supplies from Tourist Shops (N = 34)			
0%	53	53	
1-50%	35	38	41
51-99%	12	9	35
100%			24

Note: responses do not add up to 100%, due to rounding.

For the purchases made by different sectors, no significant association was uncovered, although location of enterprise presented one moderate association for the purchase of car/bikes (Cramer's $V = .480$). Enterprises from Heraklio

purchased all their needs within their locality, although 14 percent of enterprises in Chania, 57 percent in Lassithi and 83 percent in Rethymno purchased car/bikes out of their locality (Table 8.9). This was expected since the largest city of the island has a high number of wholesalers that can supply car rentals with vehicles.

Table 8.9: Purchase of car/bikes by location

	CHANIA			HERAKLION			LASSITHI			RETHYMNON		
	Locally %	Else-where in Crete %	Outside Crete %	Locally %	Else-where in Crete %	Outside Crete %	Locally %	Else-where in Crete %	Outside Crete %	Locally %	Else-where in Crete %	Outside Crete %
Car/Bikes (N=26)												
0%		86	100		100	100	14	43	86	33	33	67
1-50%	14	14					43	57	14	33	50	17
51-99%							43			17		17
100%	86			100						17	17	

The most relationships were found between purchase of supplies of different size hotels (Table 8.10). Negative relationships were found for the purchase of other food products (Spearman's $\rho = -.535$), furniture (Spearman's $\rho = -.455$), drinks (Spearman's $\rho = -.431$), linen (Spearman's $\rho = -.424$), kitchenware and china (Spearman's $\rho = -.377$), stationery (Spearman's $\rho = -.382$) and building materials (Spearman's $\rho = -.358$) showing that the larger the unit the greater the possibility of purchases outside the locality. Indeed, large hotels tend to buy their supplies from outside their locality in order to enjoy economies of scale that are unavailable to their smaller counterparts (Papadaki-Tzedaki 1997). As a result, the findings of this study confirm previous studies (Seward and Spinard, 1982; Rodenburg, 1989) which suggest that smaller AEs are more likely to purchase their supplies locally. Unfortunately no indicator of size was available for the other types of enterprises in order to proceed to comparisons.

Table 8.10: Purchase of supplies by size of AEs

	Small			Medium			Large		
	Within Your Locality %	Other Cretan Region %	Outside Crete %	Within Your Locality %	Other Cretan Region %	Outside Crete %	Within Your Locality %	Other Cretan Region %	Outside Crete %
Other Foods (N = 34)									
0%		100	100	7	93	100	29	79	71
1-50%							21	7	7
51-99%							7		7
100%	100			93	7		43	14	14
Drinks (N = 45)									
0%		100	100	7	93	100	8	70	92
1-50%								23	7
51-99%							31		
100%	100			93	7		61	7	
Furniture (N = 48)									
0%	6	94	100	13	81	100	36	93	50
1-50%				6			21		7
51-99%					6			7	7
100%	94	6		81	13		43		36
Linen (N = 50)									
0%	5	95	100	31	75	88	40	80	67
1-50%					6		13		
51-99%						6		7	
100%	95	5		69	19	6	50	13	33
Kitchenware & China (N = 48)									
0%	6	94	100	19	88	100	33	93	60
1-50%							13		7
51-99%									7
100%	94	6		81	12		53	7	26
Stationary (N = 50)									
0%		100	100	12	88	100	20	80	87
1-50%							13		
51-99%									13
100%	100			88	12		67	20	
Building Materials (N = 49)									
0%	6	94	100		94	100	20	73	87
1-50%				6	6		20		
51-99%								7	
100%	94	6		94			60	20	13

Another question related to linkages asked respondents about services, whether they were in-house, received locally or from other Cretan region (Table 8.11). From the survey the following findings can be summarised:

- The vast majority (75%) of the enterprises purchased *accountancy services* from other businesses within their locality, 23 percent had in-house accountancy services, and two percent received services from businesses located in Heraklio, where their head office was located.
- All the accommodation and catering establishments provided their customers with *meals* produced within the firm.

- The vast majority of enterprises had in-house cleaning services and only seven percent received cleaning services from locally-based cleaning enterprises.
- 56 percent of accommodation and catering establishments had in-house laundry services, although the remainder received laundry services locally.
- Maintenance and repair services were mainly purchased from other businesses (57%), the majority located within the enterprise's locality, with only four percent located in Heraklio and Chania.

Table 8.11: Purchase of services by enterprises

	In-house %	Within Your Locality %	Within Other Cretan Region %
Accountancy Services (N = 146)			
0%	77	24	98
1-50%		1	
51-99%	1		
100%	22	75	2
Catering Services (N = 64)			
0%		100	100
100%	100		
Cleaning Services (N = 145)			
0%	7	93	100
100%	93	7	
Laundry Services (N = 79)			
0%	42	56	100
1-50%	2	1	
51-99%		1	
100%	56	42	
Maintenance & Repair Services (N = 145)			
0%	57	38	96
1-50%	5	9	
51-99%	3		
100%	35	53	4

No significant association was found within sectors and location. On the other hand, significant associations were found for different size AEs (Table 8.12). Not surprisingly, a higher proportion of larger AEs tended to have laundry (Spearman's $\rho = .412$), accounting (Spearman's $\rho = .614$), and maintenance services (Spearman's $\rho = .716$) within the firm. This was expected since large AEs have the financial resources to establish more departments within the unit, compared to small establishments.

Table 8.12: Purchase of services by size of AEs

	Small			Medium			Large		
	In-house %	Within your locality %	Elsewhere in Crete %	In-house %	Within your locality %	Elsewhere in Crete %	In-house %	Within your locality %	Elsewhere in Crete %
Laundry (N=51)									
0%	83	11	100	37	63	100	35	59	100
1-50%	6	6					6		
51-99%								6	
100%	11	83		63	37		59	35	
Maintenance & Repair (N=51)									
0%	72	17	100	19	69	100		100	100
1-50%	6	11		12	12				
51-99%	6								
100%	17	72		69	19		100		

Apart from the location where the enterprises purchased their supplies, the leakage of money out of a region's economy depends on the ability of the economy to supply the goods and services that the tourist industry demands. Since there are no data available, officials were asked to estimate the percentage of the island's sufficiency in a variety of products used by tourism enterprises. As Table 8.13 presents, the island is highly sufficient in fresh foods (with 20 out of 23 officials estimating a sufficiency of 100%). Besides, there is a high sufficiency in maintenance/repair services, with slightly less than three-quarters of officials having estimated a sufficiency of 100 percent. On the other hand, the island is totally insufficient in kitchenware and china (for 16 out of 18 officials), linen (for 16 out of 19) and stationary (for 8 out of 12). In addition, half of the officials estimated that the island is sufficient for more than 75 percent of building material required by the local tourism industry, and many of them suggested that the only building materials that should be imported are iron and concrete. For drink products, the vast majority of officials could not make any estimation, declaring that the island is sufficient in local wines and spirits (mainly raki), although it has to import all the other types of drinks consumed by tourists. For other food products, opinions vary making the interpretation quite difficult. Six out of 14 officials said that the island's sufficiency is very low from 0-25 percent, although five suggested that although the tourism industry purchases most other food products from outside the island in order to achieve lower prices, the island has a sufficiency of over 75 percent. Next, for furniture needed by the tourism industry

five out of 13 officials estimated that the island is totally sufficient, although 31 percent estimated that the island is 26-50 percent sufficient.

Table 8.13: Sufficiency of the island on selected products/services

	0%		1-25%		26-50%		51-75%		76-99%		100%	
	N	%	N	%	N	%	N	%	N	%	N	%
Fresh foods (N=23)					1	4	1	4	1	4	20	87
Other foods products (N=14)	1	7	5	36	3	22			2	14	3	21
Furniture (N=13)			1	8	4	31	2	15	1	8	5	38
Linen (N=19)	16	79	1	5	2	10						5
Kitchenware & China (N=18)	16	83			2	11						6
Stationery (N=12)	8	67			1	8					3	25
Building materials (N=10)	1	10	2	20	1	10	1	10	2	20	3	30
Maintenance & Repairs (N=15)							1	7	3	20	11	73

Note: responses do not add up to 100%, due to rounding.

Foreign ownership in the tourism industry of a region causes high leakage of money, because as many studies have revealed (Seward and Spinard, 1982; Song and Ahn, 1983; Bennett, 1994), foreign-owned enterprises tend to purchase their supplies out of their locality and to expatriate their profits. Since there are no data available for the extent of foreign ownership on the island, officials were asked to estimate the proportion of Cretan ownership, within different types of enterprises that provide services/products to tourists. As Table 8.14 presents, slightly less than three-quarters of officials estimated that locals own more than 80 percent of the island's tourism enterprises. The proportion of Cretan ownership is higher for hotels where eight out of 14 of officials estimated that more than 90 percent are owned by Cretans and lower for travel agencies and car rentals, with six out of 12 and six out of 14 respectively, estimating Cretan ownership to be between 40-80 percent. For CEs and tourist shops, five out of 14 officials estimated Cretan ownership to be over 90 percent and the remainder between 61-90 percent.

Table 8.14: Extent of Cretan ownership

	40-60%		61-80%		81-90%		91-100%	
	N	%	N	%	N	%	N	%
Hotels (N=14)	1	7	1	7	4	29	8	57
Travel Agencies (N=12)	2	17	4	33	1	8	5	42
Rent a Car (N=14)	2	14	4	29	3	21	5	36
Catering (N=14)			3	21	6	43	5	36
Tourist shops (N=14)			1	7	8	57	5	36
Total enterprises (N=68)	5	7	13	19	22	32	28	41

Note: responses do not add up to 100%, due to rounding.

To sum up, with the exception of the tourist shops, the vast majority of enterprises purchased their supplies within their locality. There is a low degree of leakage out of the island for the purchase of supplies by tourist enterprises with the exception of the tourist shops which purchase most of their supplies from outside. However, according to officials, there is a high reliance on external markets for the supply of many needs of the tourism industry such as stationery, kitchenware and china, linen, other food products, as well as alcoholic drinks and some types of building materials. Although the tourism industry has attracted some outside investors, according to official opinions, the majority of tourism enterprises are still owned by Cretans. This can also be proven by the finding that 98 percent of the tourism enterprises' head office/ownership was based on the island, and only three large AEs' head office were located in Athens. Additionally, only five large AEs had units located outside the island. These characteristics show that a high share of formal control of the economy is local. On the other hand, retailers and wholesalers from Heraklio, the largest economy of the island have seen some but not many benefits from providing Cretan enterprises with various products, consumed by the tourism industry. Besides, Athens has received some benefits from purchases made mainly by tourist shops. In addition, the smaller the accommodation unit the most the purchases are made within the locality. The vast majority of enterprises had catering and cleaning services, and over half of their laundry services from within firm, although the majority of accounting and over half of maintenance and repair services were purchased from local businesses. Thus, there is very small leakage for purchases of services from enterprises' locality.

8.1.5 The effects of tourism on the balance of payments

As mentioned in Chapter Four, Crete has no independent balance of payment accounts, but its foreign trade is aggregated together with the other 12 regions of Greece. Since the effects of tourism on the island's balance of payments are not clear, local authority officials were asked to express their opinion on this theme. Not surprisingly, all officials mentioned tourism's considerable significance for the island's balance of payments, because of the foreign exchange that

international tourists bring every year to the island's economy. As one official stated:

There is an allegation that without tourism the Cretan economy perhaps would have decayed. This is evident today due to the declining agricultural production and the lack of dynamism in manufacturing which would make it very difficult to keep the welfare of the islands residents. Therefore, it can be said that without tourism the unemployment rates would become explosive.

In this effort, one official described a considerable change in his city:

Thirty years ago, the city of Rethymno was one of the most problematic cities in Greece. Unemployment rates were very high, income was limited and emigration was very high. Today, because of tourism, together with the development of universities, Rethymno is one of the richest cities in Greece.

Similarly, another official remarked:

The Prefecture of Rethymno was one of the most underdeveloped regions of Greece. Today, it has the higher indexes of development and is the fourth Greek Prefecture regarding per capita income. As a result, in Rethymno, as well as the other three Cretan Prefectures, tourism activity has generated income for the local population and has contributed to an increase of population.

From all the above, it is evident that many officials attribute to tourism many visible economic benefits. However, others noted less visible effects. Since Crete has not heavy industry, tourism, together with agriculture, determine the Cretan balance of payments, with tourism having greater potential than agriculture, since investments are directed mostly towards tourism development (Eurostat, 1994; Tzouvelekas and Mattas, 1995). Another salient feature mentioned was the co-operation of the tourism sector with the primary sector, with emphasis on the linkages created between the tourism industry and agriculture. A high proportion of local agricultural production is consumed by the island's tourism industry. Without this consumption, a high volume of Cretan agricultural production would remain unsold. Similarly, tourism on the island has a prominent position in the balance of payments for the linkages it creates with the construction and small

industry. Because of tourist demand many new tourist enterprises are built and handicraft production is sold. Another interviewee pointed out the profound effects of tourism on the island's exports, not only because tourism is an export industry but because, through tourism, foreign demand for Cretan products has been increased, as the thousands of tourists visiting the island each year become aware of the island's agricultural and cattle production, and when they return home, they buy them. As a result, the exportation of agricultural products has multiplied, bringing foreign exchange earnings to the island's economy.

To sum up, respondents attributed three positive effects of tourism on the balance of payments, the most remarkable effect being the foreign exchange earnings brought from the thousands of tourists visiting the island every year. A second effect was the linkages of tourism industry, mainly with local agricultural production, as well as the construction and handicraft industry. A third prominent effect was the increasing exportation of local agricultural and cattle production.

8.2 PROBLEMS FACED BY THE CRETAN TOURISM INDUSTRY

The business and the local authority surveys asked respondents to mention problems faced by the island's tourism industry. The following sections present their opinions in four categories: (i) finance; (ii) seasonality; (iii) dependency on tour operators; and (iv) other problems.

8.2.1 Financial problems of tourism enterprises

As the literature has revealed, a major problem of the islands' tourism industry is the dominance of cheap mass tourism (Richards, 1999), resulting in low profitability for entrepreneurs and the lack of investments to upgrade the tourist product. One important measurement of profitability for an enterprise can be considered the owners' level of satisfaction with the establishment's income. Based on a five-point Likert Scale, ranking from very little (1) to very much (5), one question assessed owners' satisfaction with his enterprise's income. As Table 8.15 indicates, 40 percent of respondents rated owners' satisfaction below

average, 47 percent average, and only 13 percent above average (Mean = 2.51, Std. Deviation = 1.00). No significant association was found with location, sector and size of AEs.

Table 8.15: Owners' satisfaction from businesses' income

	No of Respondents	%
Very little	33	23
Little	24	17
Average	68	47
Much	18	12
Very much	1	1
Total survey	144	100

Note: responses do not add up to 100%, due to rounding.

From the above, it seems that satisfaction levels of owners with their enterprises' income are low, the reasons for which are shown in Table 8.16. The most common reason, mentioned by 40 percent of owners/managers, was the low spending power of tourists visiting the island. As a result, the prices charged are low, reducing profit margins. One shopkeeper commented:

Because of the low spending power of tourists there are days where I do not sell anything. Tourists come in my shop. They look around and most of the time they leave without buying anything. Even when they buy, they ask for high discounts. Therefore, very often I have to markedly reduce my profit margins in order to sell some of my products. As a result, there are some months when I cannot even afford to pay my rent. After 25 years, I am forced to close my shop and look for a job as a shop assistant.

Table 8.16: Reasons for dissatisfaction

	No of Responses	%
Low-spending power tourists	23	40
High competition	17	30
Low prices	13	19
Low demand	11	19
High costs	10	18
Small return on investment	10	18
Dependence on tour operators	4	7
Other	6	10
Total survey (N=36)	57	159

Note: responses do not add up to 100%, due to multiple answers.

A second reason was the fierce competition (30% of responses). Indeed, as shown in Chapter Four, many new enterprises are established every year, increasing the competition for existing businesses. The informal sector (e.g. parahoteleria) and the emergence of many competitive destinations in the Mediterranean have increased competition. All these contribute to low demand for services/products offered by tourist enterprises, as 19 percent of owners/managers revealed. Other reasons mentioned, contributing roughly equal proportions (18-19% of responses) were financial, such as low prices, high costs and small return on investment.

A small number of owners/managers talked about commissions and corruption within the tourism industry. The tourism market is dominated by people selling purely on commission. As some owners/managers of tourist shops mentioned, tour guides direct the market to enterprises that pay commission to them. Entrepreneurs that refuse to pay commission are unable to attract customers, no matter how good their product is. As one owner of a goldsmith shop declared:

Corruption in our sector is rampant and there is nothing we can do about it. As we cannot afford to pay a high commission to tour guides, we depend on passing trade and most of the time our products remain unsold. Only some large shopkeepers are able to give commission asked for by tour guides; the rest of us are forced to close our business.

The case was similar for TA/CRs, many of which have to sell tours and/or rent cars through hotel desks. Hoteliers very often ask them high commission in order to keep on selling their products.

In summary, most of the reasons given by respondents for owner dissatisfaction are financial and very often interrelated. For example, low-spending power tourists because of attraction of a mass market, leads to low prices, small return on investments and high costs.

8.2.2 Seasonality

The tourism industry in the Mediterranean faces a high seasonality problem (Jenner and Smith, 1993), regarded as an obstacle to development of many regions (Lundorp et al., 1999). In Crete, seasonality constitutes a major threat to physical and human systems, since during the summer season there is an over-utilisation of resources. Although respondents to the business survey did not mention seasonality as a reason for owners' dissatisfaction with the economic returns from their investments, it is possible that the closure of properties during the winter will create major economic problems for enterprises, such as small return on investment and high operational costs. Therefore, owners/managers were asked if their enterprises face seasonality problems, and officials were asked if they believe that the island's tourism industry has a problem of seasonality. The majority of owners/managers (66%) claimed that their enterprises face a seasonality problem (Table 8.17) which was also recognised by all apart from one official. After a series of crosstabulations between size of AEs, location and sector, only one significant association was found for seasonality problems faced by different sectors (Cramer's $V = .290$). 47 percent of owners/managers from the accommodation sector gave seasonality as a problem, although the percentage was higher (approximately 75%) for the other sectors. The reason for this is that many owners/managers of AEs recognised their properties as resort seasonal hotels and therefore they had accepted seasonality as a fact of life, and not as a problem.

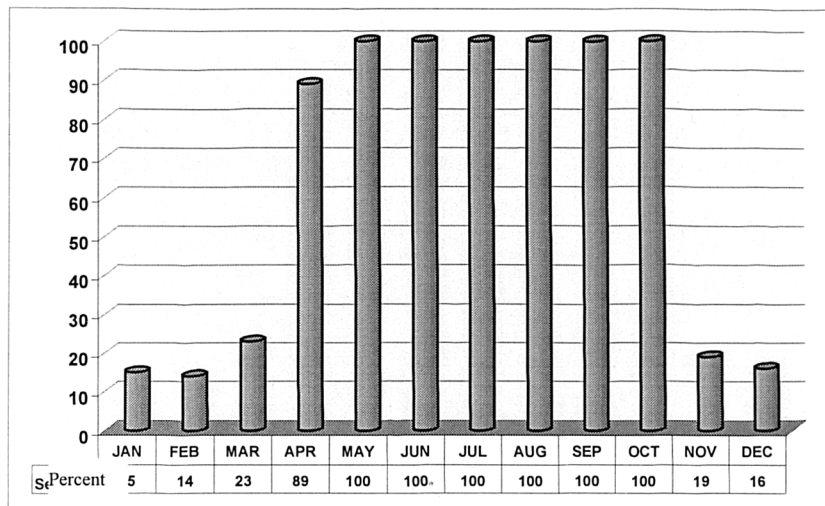
Table 8.17: Existence of seasonality problem

	Yes %	No %
Sectors:		
Accommodation	47	53
TA/CRs	72	28
Catering	79	21
Tourist shops	76	24
Total survey (N = 145)	66	34

The extent of the seasonality problem can be seen from the finding that only 14 percent of the properties used in the sample were open all year in 1996. These properties were mostly located in cities, working during winter months with locals

and businessmen. From May to October, all the properties in the sample were in operation, during April 89 percent, and the remainder months less than 25 percent (Figure 8.4).

Figure 8.4: Opening of tourist enterprises throughout 1996



Seasonality may be determined by geographical location, sector and size of enterprise. However, a series of crosstabulations did not present any statistically significant association.

Indicators of the seasonality problem faced by tourism enterprises can be regarded as the level of average monthly occupancy rates for the accommodation sector and the average monthly variance in turnover for the others sectors, as the following sections illustrate.

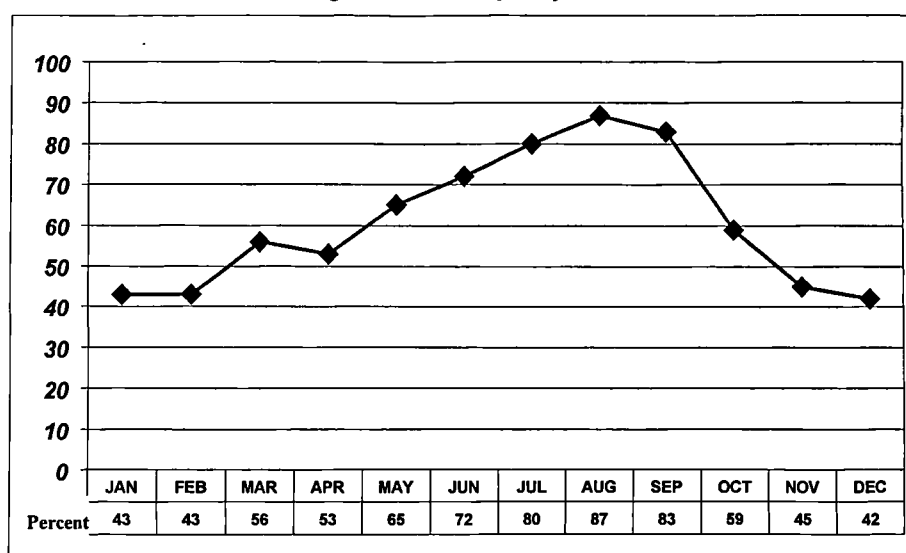
8.2.2.1 Occupancy rates

The product sold by AEs is perishable. When a hotel room has not been used at the time it is available, it is lost for good (Kotler et al., 1999). Consequently, high occupancy rates can be regarded as one of the major determinants of AEs' profitability. Since 85 percent of AEs remained closed during the winter of 1996, a methodological problem results, in the discussion of occupancy rates achieved by the AEs under review. As a solution to this problem was to base the average

monthly occupancy rates to be based on the establishments that remained open for each month of the year. Consequently, if it is assumed that all AEs remain open all year, the occupancy rates for the winter months will be very close to zero.

The average occupancy rates of AEs started from 43 percent in January and February, increased to 56 percent in March and decreased slightly in April to 53 percent (Figure 8.5). After April, occupancy rates increased slowly to 65 percent in May, 72 percent in June and 80 percent in July. August was the peak month with occupancy rates of 87 percent. After August, occupancy rates started to decline gradually to 83 percent in September, 59 percent in October, 45 percent in November and the lowest of the year in December (42%). From the above it is clear that although the occupancy rates are based on the enterprises that remained open for each month, they are still very low, during off-peak. Most enterprises have choose to close down completely for five months of the year, in order to eliminate operating costs in response to the problem of very low occupancy rates.

Figure 8.5: Occupancy rates



Note: Jan, Feb, Mar, Nov & Dec N = 6, Apr N = 35, May, Jun, Jul, Aug, Sep & Oct N = 41

One survey segment explored whether occupancy rates varied by location. However, ANOVA tests did not show any statistical significance. In addition, size was examined to determine whether any relationships existed with occupancy

rates. The rationale was that large AEs, which are usually better organised, are linked to chains and have a stronger financial situation to support promotional activities, might have achieved higher occupancy rates compared to their smaller counterparts. However, ANOVA tests did not show any significant difference.

The research went further by asking owners/managers to indicate why the occupancy rates of their establishments varied in this way. Table 8.18 indicates that 45 percent of owners/managers mentioned unstable demand by international tourism as a reason for low occupancy rates, high during the summer and almost non-existent during the winter. Furthermore, 19 percent mentioned the oversupply of beds, attributed to the informal accommodation sector, namely ‘parahoteleria’ and illegally rented rooms, which has resulted in low occupancy rates even during the peak season. 19 percent of owners/managers mentioned a slight increase in occupancy rates in March due to the Catholic Easter. Moreover, 19 percent of AEs (all of them small) attributed their high occupancy rates to the signing of contracts covering the entire property on a “commitment” basis (i.e. an accommodation unit has signed an allotment with a tour operator, for a fixed price and reserves all rooms for tourists sent by him).

Table 8.18: Reasons for variance in occupancy rates

	No of Responses	%
Unstable demand	19	45
Oversupply of beds	8	19
Easter holidays	8	19
Commitment basis	8	19
Other	3	7
Total survey (N = 42)	46	109

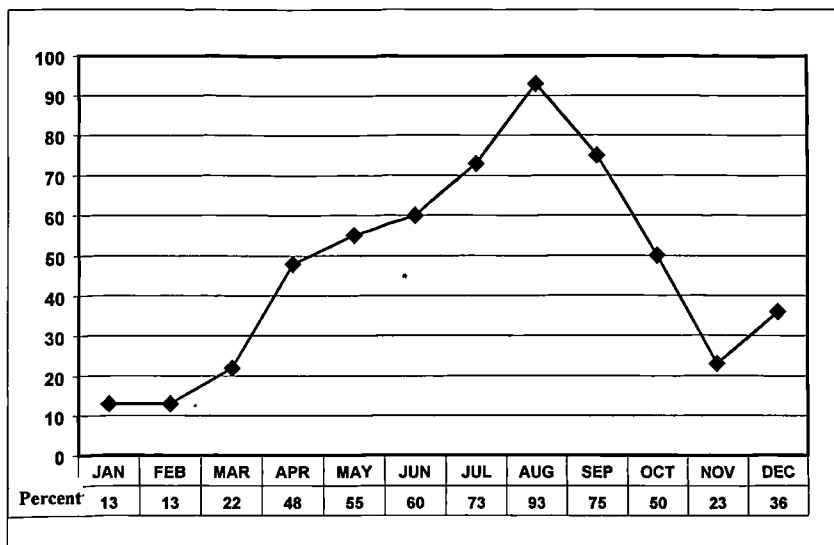
Note: responses do not add up to 100%, due to multiple answers.

8.2.2.2 Variance on turnover

In order to investigate the variation in enterprises turnover, owners/managers were asked to indicate the average monthly turnover as an index of 100 percent (with highest month 100). The accommodation sector was excluded from this question since monthly occupancy rates were seen as more representative. As previously for the occupancy rates, the turnover percentages are based on the enterprises that

remained open each month. In the first two months of 1996, the average turnover reached the lowest point of around 13 percent, increasing to 22 percent in March and continuing to increase in the following months, with April reaching 48 percent, May 55 percent, June 60 percent, July 73 percent and peaking in August (93%). After August, turnover decreased to 75 percent in September, 50 percent in October, and 23 percent in November (Figure 8.6). In December, there was an increase in turnover to 36 percent.

Figure 8.6: Monthly variance on turnover



Note: Jan & Feb N= 12, Mar N= 20, Apr N= 78, May, Jun, Jul, Aug, Sep & Oct N= 86, Nov N= 15 & Dec N=13

The major reason mentioned for the fluctuations in turnover was unstable demand (87%), high during the summer season and low during the shoulder months and in winter. In addition, 26 percent of owners/managers remarked the reason for a slight increase in turnover in December, to sales to the local population and domestic tourists during Christmas, showing the potential of the domestic market for the island's tourism industry.

ANOVA tests were carried out to identify differences of variance in turnover among different Prefectures and sectors. Only one statistical significance was found among Prefectures and average turnover in March. However, this significance cannot be taken into consideration because only five enterprises were open during this month.

To sum up, based on the monthly variance of AEs' occupancy rates and the variance in turnover of TA/CRs, CEs and tourist shops, it can be concluded that the areas incorporated in the survey have a high seasonal concentration, with the tourist season lasting from April to October, as past surveys undertaken in Crete have found (e.g. Donatos and Zairis, 1990; Tsitouras, 1998), and peaking from July to September. As a result, seasonality of tourism demand can be considered to be one of the challenges faced by the tourism industry in the study areas.

8.2.3 Dependence on tour operators

In Crete, as in most Mediterranean islands, there are two major categories of clients, the independent tourists who make their own arrangements, and the inclusive tourists coming through tour operators. As independent tourists cannot provide sufficient demand, tour operators play an important role in the Cretan tourism industry, mainly for packaging the various elements of the tourism product and distributing it to consumers. There is quite a strong association (Cramer's $V = .673$) between the enterprises receiving customers direct through tour operators and sectors. In 1996, 96 percent of AEs received customers direct from tour operators compared to only 34 percent of TA/CRs (Table 8.19). However, although TA/CRs did not have contracts with foreign tour operators, most of their customers had arrived through package holidays, as owners/managers revealed. No statistically significant association was found between enterprises receiving customers from tour operators and location or size of AEs.

Table 8.19: Proportion of customers through tour operators

	Yes %	No %
Sectors:		
Accommodation	96	4
TA/CRs	34	66
Total survey (N = 84)	73	27

To reveal the extent of AEs and TA/CRs dependency on tour operators, owners/managers were asked to indicate the proportion of organised tourists

served by their enterprises in 1996. The results show that 86 percent of AEs received 71 percent or more of their customers through tour operators, although TA/CRs received a smaller share, with 64 percent having received less than 35 percent (Cramer's $V = .644$) (Table 8.20). However, although it seems that TA/CRs are less dependent on tour operators, this is not true as their owners/managers stated that most of their customers arrive on the island through tour operators. Location and size of AEs did not present any statistically significant association.

Table 8.20: Percentage of organised tourists within customers

	Less than 35% %	36-70% %	71-95% %	96%+ %
<i>Sectors:</i>				
Accommodation	6	8	43	43
TA/CRs	64	18	18	
Total survey (N = 60)	17	10	38	35

Although tourists coming through tour operators increase enterprises' income, not all managers/owners of AEs and TA/CRs were satisfied with this type of customer, as 25 percent preferred individual tourists, due to the better quality of independent tourists, and their higher spending power (Table 8.21). As stated in Chapter Seven, independent tourists are charged higher room rates in the AEs, increasing the profit margins of hoteliers. Similarly, TA/CRs receive higher profits as they do not have to pay commission to an intermediate to sell their product. The higher profit margins that may be received when selling to individual tourists might enable providers of tourism services to finance higher levels of investment to improve product quality. However, demand from independent tourists is not stable, they can not guarantee high occupancy rates, and on average they stay fewer days (Table 8.22). As a result, the majority (47%) of owners/managers preferred the security of customers generated by tour operators, and only 28 percent did not make any choice between individual and organised tourists, but preferred both, for the reason that although the economic benefits are higher from independent tourists, they cannot guarantee increased sales or high occupancy rates.

Table 8.21: Reasons that entrepreneurs prefer independent tourists

	No of Respondents	%
Better quality	9	53
Spend more/Higher prices	8	47
Total survey	17	100

Table 8.22: Reasons that entrepreneurs do not prefer independent tourists

	No of Respondents	%
No security in sales/ low occupancy rates	19	83
Independent stay less days	3	13
They ask for discounted prices	1	4
Total survey	23	100

The research went further by asking owners/managers if they faced problems in 1996, from tour operators. 28 percent of AEs and 64 percent of TA/CRs faced problems (Cramer's $V = .288$), mainly related to insolvency, as tour operators very often delay paying entrepreneurs. In addition, although enterprises have an allotment for a specific number of rooms, tour operators often do not send the pre-arranged number of tourists, leaving hotel rooms empty. Other problems include: loss of money because of tour operator bankruptcy and as a result in the past some AEs had to be sold due to lack of payment from a bankrupt tour operator, which meant owners could not afford to pay their debts. Finally, tour operators were blamed for paying low prices or charging high commission for the distribution of enterprise services/products (Table 8.23). The way the tourist trade operates and its commission structure were vexing issues for owners/managers, some were annoyed by the fact that they were obliged to pay high commission to someone else to sell their product and that they were powerless to change this.

Table 8.23: Kind of problems from the co-operation with tour operators

	No of Respondents	%
Insolvency/Delay in payments	11	50
Bankruptcy	7	32
High commission/low prices	4	18
Total survey	22	100

To sum up, the Cretan tourism industry is heavily dependent on tour operators, as they provide their customers with cheap flights and link the island with the major tourism generating Western European countries. Consequently, only a small number of tourists, mainly domestic, arrive on the island independently to visit friends and families, attend conferences, or for business purposes.

8.2.4 Other problems faced by tourist enterprises

Apart from high seasonality and strong dependency on foreign tour operators, the island's tourism industry faces other serious problems. Therefore, owners/managers were asked to indicate problems faced by their enterprises, and officials to relate their own experiences and establish the nature of the problems faced by the tourism enterprises of the island, within their authority. Given the involvement of a wide range of public agencies in the development and planning of tourism in Crete, respondents were also asked to name a public agency that could offer a solution to each problem. The agencies considered were local authorities, Hellenic National Tourism Organisation (HNTO) and Greek Government, each having different responsibilities and activities for the development of the island.

The problems faced by enterprises needing a solution by local authorities are presented in Table 8.24. The most common problem, reported by 43 percent of owners/managers and 38 percent of officials, was the inadequacy/insufficiency of infrastructure. The majority noted the poor conditions of the road network (bad design, potholes and lack of signs), inadequate sewage network and treatment, insufficient water and electricity supply, and lack of car parking spaces and public toilets. As one restaurateur noted:

The road where my restaurant is located is very narrow. Because of traffic, often the road is blocked. Sometimes it is difficult for me to find a parking space for my car or even to stop my car for a short time in order to unload supplies.

Table 8.24: Owners'/managers' and officials' opinions on the problems faced from tourism enterprise needing attention from local authorities

	Business(N = 44) %	Officials (N = 16) %
Inadequacy/insufficiency infrastructure	43	38
Environmental problems	11	31
Insufficient provision of services	27	13
High municipal taxes	18	6
Insufficient control of enterprises	11	6
Other	7	6
Total	118*	100

Note: responses do not add up to 100%, due to multiple answers.

Bad signposting was mentioned as a problem; better signposting was seen as an essential requirement for spreading tourists towards various locations and attractions. Lack of pedestrianisation was also seen as an obstacle to development. As one tourist shop owner complained:

Because of heavy traffic, noise from the cars and the narrow pavements, many shoppers and tourists avoid walking through this street ... For residents and shop-owners, quality of life is poor in this area.

Pedestrianisation of some parts of the city was considered a traffic management solution and a strategy to attract more shoppers and tourists to tourist businesses. On the other hand, some respondents mentioned completion of the North road network and connection with the South of the island as important for the development of southern Crete. Other problems mentioned were the protection and cleaning-up of the overall environment. Environmental problems mentioned included: insufficient refuse collection and disposal, noise pollution, uncontrolled building, environmental aesthetics, e.g. traditional Cretan materials replaced by concrete structures, and ineffective use of Environmental Impact Assessments (EIAs) in tourist projects. Officials paid more attention to these problems (31%) compared to owners/managers (11%). On the other hand, owners/managers placed more emphasis on the insufficient provision of services by local authorities (27%) than officials (13%). It was suggested that provision of services is inadequate during the peak summer months, namely police control, waste disposal, cleanliness, airport services, and provision of information to tourists. 11 percent of owners/managers believed that there is inadequate legislation for the control of

tourism enterprises and that their enterprises pay very high municipal taxes (18%), given the low standards of services provided by their municipalities (27%). Officials reported all these problems, although their percentage was much lower. Other problems reported by a minority of respondents related to low return on investments, bureaucracy and a lack of organisation by local authorities.

From the above responses, it is evident that although both owners/managers and officials reiterated their concern for the same problems, the significance given varies. Owners/managers gave higher attention to the inadequate provision of services and the high municipal taxes. This might be explained because owners/managers live every day with these problems and are more aware of them. On the other hand, officials paid higher attention to the environmental problems of tourism. It may be assumed that owners/managers, due to *their dependency on* tourism for income and employment, neglect environmental problems under the notion that environmental protection may result in legislation and restrictions to the tourism industry.

From one point of view, it may be assumed that there was an overall satisfaction with the services provided by the HNTD as a substantial number of owners/managers did not mention any problem needing attention by the HNTD. However, many owners/managers suggested that the HNTD is totally controlled by the government, and as a result its power to solve their problems is limited. Of the 14 owners/managers that reported problems to be solved by the HNTD, eight mentioned insufficient control of enterprises, with a demand for control and inspection of tourist enterprises in order to prevent the rise of illegal enterprises and any actions that may tarnish the image of the island as a tourist destination and downgrade the tourist product. Conversely, three owners/managers blamed the HNTD for strict rules on licensing and operation of enterprises. Besides, three owner/managers complained about insufficient promotion and provision of information (Table 8.25), stating that there are limited information centres, the existing ones are staffed by unqualified employees who very often cannot satisfy tourist demand. Similarly, the promotional activities undertaken by the HNTD were criticised for limited co-ordination, low budgets and offhandedness.

Table 8.25: Owners'/managers' opinions on the problems faced from tourism enterprise needing attention from the HNT0

	No of respondents
Insufficient control of enterprises	8
Strict rules for opening and operations	3
Insufficient information and promotion	3
Total	14

The major problems mentioned by four officials included insufficient promotion and provision of information. Three officials blamed the HNT0 for insufficient protection of tourism enterprises by foreign tour operators (Table 8.26), and mentioned the necessity for the government to modernise legislation and protect entrepreneurs from tour operators bankruptcy, as well as to enact laws for signing contracts in a stronger currency than the Greek Drachma. A small number of officials complained about delays and poor implementation of tourist plans because of unqualified staff and bureaucracy, confirming previous research by Kufidu et al. (1997); Henry and Nassis (1999), and Jourmard and Mylonas (1999). Other problems of severe importance included: inadequate provision of services, insufficient training and education of tourism employees, a laissez-faire attitude by the HNT0 toward licensing of tourism-related enterprises and an inability of entrepreneurs to invest in innovative projects, as well as to modernise their establishments, due to insufficient funding from the HNT0.

Table 8.26: Officials' opinions on the problems faced from tourism enterprise needing attention from the HNT0

	No of Respondents
Insufficient promotion/provision of information	4
Lack of protection from tour operators	3
Unqualified staff/Bureaucracy	2
Other	4
Total	13

In summary, owners/managers and officials put different emphasis on the hierarchy of problems needing a solution by the HNT0. Insufficient control of tourist enterprises by the HNT0 suggested by the majority of owners/managers was not mentioned by any officials. Although the number of owners/managers

was approximately five times higher than the number of officials, both recorded almost the same number of problems. Is this because officials were more likely to see the problems than the owners/managers? Apparently those mostly involved and co-operating with the HNTD seem more aware of its disadvantages.

The most severe problems were reported for consideration by the Greek Government (Table 8.27). Over one third of owners/managers complained about the high taxes paid to the government, e.g. the airport tax (spatosimo), VAT and income tax. This was also identified as a second major problem by 20 percent of officials. Excessive interest rates from banks were the first priority problem according to 28 percent of officials and third priority for 10 percent of owners/managers. Owners/managers reported as a second priority problem (20%), raised third in line by officials (16%), the difficulties of obtaining funding from the Greek Government. Approximately 15 percent of owners/managers and officials suggested that the Greek Government does not provide the necessary infrastructure for tourism development (problem mentioned above needing solution from local authorities). Infrastructural problems mentioned needing solution by the government included inadequate marinas, ports, hospitals and telecommunications. It was also claimed that the International Airport of Heraklio (although improvements have been undertaken) can not keep up with peak summer demand. Many respondents showed high satisfaction with the improvements to the second largest airport of the island in Chania, which shows that, if there is proper allocation of resources and collaboration between public and private bodies, projects for the improvement of facilities for the island can be successful. 13 percent of officials reported an unstable tourism policy as a problem, resulting in a lack of programming and planning. Some respondents highlighted the government's bureaucratic attitude towards the issuing of tourist visas to ex-Soviet Union citizens as a particular issue, resulting in a high spending market choosing alternative destinations. It was mentioned that although this problem has existed for many years, no significant attempts have been made by the government to overcome it. The same problem was mentioned only by seven percent of owners/managers. In addition, a number of other problems were reported each of which attracted the support of less than 10 percent of

respondents, including: high employers' contribution and insufficient provision of services to tourists, such as information, airport services etc., uncontrolled and unplanned building, environmental degradation and dependence on foreign tour operators. There were also complaints about the government's allowing to businesses that fail to comply with legislative requirements (e.g. parahoteleria) to compete with legitimately registered enterprises. In addition, owners/managers of TA/CRs complained about a governmental law that demands enterprises to own more than 25 cars in order to keep or receive a new licence. As it was stated by one car rental owner:

This measure illustrates the bad intentions of the Greek Government towards small enterprises. Instead of providing them with incentives for their survival, it attempts to obliterate them.

Table 8.27: Opinions on the problems faced from tourism enterprises needing attention from the government

	Business (N = 76) %	Officials (N=25) %
High Taxation	37	20
High compound interest	10	28
Insufficient incentives	20	16
Lack of infrastructure	14	16
Unstable tourism policy and planning/Bureaucracy	7	13
Insufficient provision of services	8	6
High employers' contribution	7	
Other	8	9
Total	111	108

Note: responses do not add up to 100%, due to multiple answers.

In summary, both owners/managers and officials mentioned the same problems to be solved by the government, including high taxation, high compound interest rates, insufficient incentives and lack of infrastructure, albeit with differing priority.

A few owners/managers and officials reported problems that require solution by all public sector bodies, mainly the lack of collaboration among different bodies of the public sector for the planning of tourism development, reflecting limited co-ordination of activities for tourism development and promotion of the island, and

resulting many of the aforementioned problems, e.g. financial problems, environmental degradation, seasonality, dependency on tour operators etc.

Overall, owners/managers indicated many problems faced by their enterprises. Officials were aware of most of these problems, although they attributed different significance to them. Officials and owners/managers blamed the public sector for these problems, mainly the government and the local authorities, although not many problems to be solved by the HNTD were mentioned. Owners/managers recognised that the HNTD is not an autonomous organisation that can take independent action, as it is totally controlled by the government. There were calls for more infrastructural investment, environmental protection, better provision of services, more promotional activities and provision of information, more control of tourist enterprises, as well as solutions to various financial problems. After the review of the problems faced by the island's tourism industry, the next step is to investigate the attempts made by enterprises and local authorities to overcome these problems.

8.3 ATTEMPTS TO OVERCOME THE PROBLEMS

Respondents from the business sector and local authorities were asked to specify their attempts to overcome problems faced by enterprises and the island's tourism industry. To a great extent, problems are caused by the concentration of tourist flows in time, as was also evident in the literature. As shown in Table 8.28, among the enterprises having undertaken action to overcome tourism problems, the most common was the provision of new or improvement of existing services/products (93%). This is perhaps not unexpected given the tourism and hospitality industry's predilection for improvement of the tourist product as a competitive tool. The second most competitive tool used by 34 percent of enterprises was price promotion (discounted prices) in an attempt to increase sales. As a result, many enterprises have adopted a cost leadership strategy. However, it should be considered that lower prices lead to a provision of low quality services/products directed to attracting the low spending segments of the tourism market.

On the other hand, some enterprises had made efforts with their trade association (29%), such as the promotion of the island abroad and participation in the plan for the extension of the tourist season. Other actions mentioned by a small number of respondents were co-operation with more tour operators (10%) and remaining open longer or annually (7%).

Table 8.28: Actions taken by enterprises to overcome seasonality problem

	No of Responses	%
Provide new or improve existing services/products	38	93
Offers/lower prices	14	34
Jointly with our association	12	29
Co-operation with more T.O.	4	10
Open all year/longer	3	7
Other	6	15
Total survey (N = 41)	77	188

Note: responses do not add up to 100%, due to multiple answers.

In summary, many of the enterprises used in the survey were aiming mainly at the provision or the improvement of existing services/products and were competing on the basis of price. With the exception of limited promotional activities undertaken jointly with their trade association, none of the owners/managers individually promoted his enterprise, as a strategy to reduce seasonality and dependence on tour operators.

So much for those who reported taking action to overcome seasonality, but the vast majority of owners/managers reported no action. Among the 65 percent of owners/managers having claimed seasonality as a problem for their enterprises, 58 percent have not taken any action, stating that there is no way to overcome seasonality, since their businesses are seasonal and there is no tourist demand during the winter. As a result, they accept the problem and do not do anything about it.

Similarly, despite the importance given by officials to the seasonality problem (all apart from one official suggested that the island faces a high seasonality), 10 out of 25 local authorities did not have any strategy in place, as it was stated seasonality was outside their responsibility. Among the authorities having

undertaken steps to reduce seasonality, eight attempted to create mechanisms for co-operation with other bodies (e.g. trade associations have designed promotional campaigns together with public sector bodies) and were involved in the existing plan for the extension of the tourism season (Table 8.29). As a result, there are signs where private and public sector bodies collaborate for the solution of the seasonality problem. Other attempts made by a lower proportion of authorities (four in total) included the elimination of the seasonal distribution of tourists through promotion of alternative forms of tourism (e.g. campaigns abroad and creation of necessary infrastructure). Three authorities attempted to overcome seasonality through provision and/or improvement of outdoor and indoor sport/leisure/entertainment facilities, and three authorities through promotion/advertisement, e.g. participation in exhibitions, production and distribution of promotional material and delivering information through the Internet. Other less significant attempts included promotion of conference trade, elaboration of studies for the extension of tourism season, financing of plans for the extension of the tourism season and improvement of service provision.

Table 8.29: Local authorities' attempts to overcome the seasonality problem

	No of Responses	%
Co-operation/Involvement in a plan	9	60
Alternatives forms of tourism	4	27
Provision/Improvement of facilities	3	20
Promotion/Advertisement	3	20
Other	6	40
Total (N=15)	25	167

Note: responses do not add up to 100%, due to multiple answers.

The island's tourism industry is highly dependent on foreign tour operators for the attraction of foreign tourists. Therefore, owners/managers were asked to report attempts made by their enterprises to overcome the problems faced by the co-operation with tour operators. Of the 21 enterprises that faced problems, 13 had not done anything, as they did not have any power without support from the state. Among the enterprises having taken actions these included: pressure on tour operators for payments (for three) and to provide better quality services (for a further two) (Table 8.30). Other attempts mentioned were improved co-operation, increased share of independent tourists and attracting new markets.

Table 8.30: Attempts made by enterprises to overcome problems faced by their co-operation with tour operators

	No of respondents
Pressure for payments	3
Better quality product	2
Improve co-operation	1
Increase the share of independent tourists	1
Attraction of new markets	1
Total	8

Similarly, although all officials offered the view that dependence on tour operators is one of the major problems faced by the island's tourism industry, the majority of authorities (17 out of 25) had not taken any action to assist in reducing the problem because, it was not their responsibility, and/or there was not sufficient help from the Greek Government. Among the authorities dealing with the problem, included partnerships with other authorities (for five) and participation in exhibitions abroad (for two) (Table 8.31). A variety of other actions undertaken by only one authority, included: increasing competitiveness of the tourist product through the provision/improvement of infrastructure and services, promotion of new forms of tourism, such as alternative, co-operation with tour operators, establishing a charter airline in order to reduce dependency by controlling a share of the air traffic to the island, and advising/informing enterprises and all bodies involved in tourism.

Table 8.31: Local authorities' attempts to overcome the problem of dependence from tour operators

	No of respondents
Partnerships with other authorities	5
Participation in exhibitions abroad	2
Improvement of tourist product	1
Increase the share of independent tourists	1
Co-operation with tour operators	1
Establishing a charter airline	1
Advising/informing of enterprises	1
Total	8

In summary, the findings of the research suggest that many tourism businesses owners/managers and local authority officials recognise that the island's tourism

industry faces serious problems but they do not necessarily identify a central role for themselves in their solution. Less than half of the authorities share a common interest in promoting tourism as a year-round activity. The participation of local authorities and enterprises in the plan for the extension of the tourism season shows encouraging signs that something can be done for the elimination of the problem. Nevertheless, the accompanying comments made by most owners/managers and officials for the elimination of the problem of dependence on tour operators indicated that they have not consciously made serious attempts, perhaps because they lack motivation, staff, funding or time. Clearly there is still a critical need to further investigate both problems in order to find an effective means of converting good intentions into appropriate action.

8.4 PLANS BY TOURISM ENTERPRISES FOR EXPANSION

Another question in the business survey asked owners/managers to reveal their future intentions for expansion or changes to their properties, in order to receive useful insights into the potential dynamism of the island's tourism industry. Almost half of the enterprises surveyed had plans for expansion or changes (Table 8.32). Among different sectors, three quarters of AEs had plans for improvements or changes, although the proportion was less than 45 percent for the other three sectors, with the lowest for tourist shops (26%) (Cramer's $V = .399$). Once again, it is clear that AEs, very often linked to chains, have a stronger financial ability for expansion and/or modernisation, compared to the other types of enterprises. No significant association was found with location and size of AEs.

Table 8.32: Plans of enterprises for expansion

	Yes %	No %
Sectors:		
Accommodation	75	25
TA/CRs	44	56
Catering	36	64
Tourist shops	26	74
Total survey (N = 146)	49	51

The plans by enterprises for expansion have been grouped where possible as follows (Table 8.33): improvement/modernisation of the premises (40%), increase in the number of units (31%) and purchase of more vehicles for TA/CRs or changes in the number of rooms/apartments for AEs (27%). Slightly over half of the enterprises used in the sample did not have any intentions for expansion, mainly for financial reasons, such as lack of capital and profitability (53%), economic recession/insufficient help from the state (28%), extensions and/or changes made the previous years (10%) and low quality of tourists (9%) (Table 8.34).

Table 8.33: Kind of enterprises' expansion

	No of Responses	%
Improvement /modernisation of premises	27	40
Increase in the number of units	21	31
Buy more vehicles/increase number of rooms	18	27
Expansion of activities	5	7
Other	6	9
Total survey (N = 68)	77	114

Note: responses do not add up to 100%, due to multiple answers.

Table 8.34: Reasons for lack of plans for expansion or changes from enterprises

	No of Respondents	%
No profitability/ capital	36	53
Economic recession/no funding from state	19	28
Extension/changes made last year(s)	7	10
Low quality tourism	6	9
Total survey	68	100

To sum up, many of the enterprises under review were facing serious financial problems. Therefore, they did not have any plans for expansion or change to their business. Even those which had plans were mostly concerned with the increase of supply or modernisation of existing, rather than looking ahead through innovatory projects, e.g. the creation of off-season or special interest attractions, something that would add value to the destination's tourism product. Overall there was little evidence of innovative business planning or strategy for development, but most were concerned with the increase in supply or improvement of existing supply. Most plans were reactionary rather than proactive. However, deregulation in the

tourism industry has increased competition suggesting the need for more aggressive competitive strategies if enterprises want to continue to prosper in the future.

8.5 LOCAL AUTHORITIES ACTIVITIES FOR TOURISM DEVELOPMENT

The expansion of tourism and fierce competition have spurred various changes in the way destinations are managed (Crouch and Ritchie, 1999), for which a vital role is played by National Tourism Organisations (NTOs), local, regional and national governments, chambers and industry associations. They have a significant contribution to make to tourism development by offering assistance and advising companies on a short- and long-term basis, by encouraging co-operation among industry sectors, co-ordinating marketing strategies and promotional initiatives, providing services and facilities and laying out the overall tourism policy.

To achieve the above aims, authorities have employed staff in tourism activities. A total of 194 employees were engaged directly or indirectly in tourism by the 25 authorities. On average, each local authority had 7.8 employees. Of the 194 employees, 107 (55%) were directly engaged in tourism, 81 full-time and 26 part-time. In addition, 43 employees (22%) were indirectly engaged, 40 full-time and three part-time. Besides, two authorities had in total 44 seasonal employees (23% of total), eight engaged direct part-time and 36 indirect full-time. The range of staff with tourism responsibilities in the authorities varied from zero for three authorities to 60 for one. Two of the authorities had 100 employees involved in tourism, 52 percent of total employees. The most tourism dependent municipality of Agios Nikolaos had 60 (among which 36 seasonal employees) and the HNTD directorate in Heraklio had 40 full time employees directly engaged in tourism.

A distinction can be made among the 25 authorities according to the involvement of their staff in tourism. 15 of the authorities had some staff directly or indirectly engaged in tourism, seven were completely tourism orientated with all their staff

involved directly in tourism, and three (two chambers of Commerce and one Technical Chamber) did not have any tourism-engaged staff, although they argued that might some of their members were involved in tourism activities.

The reason for authorities to engage staff in tourism activities is to contribute to the tourism development of the island. Richards (1992) remarks: “tourism is a diverse activity which impinges on many areas of local authorities responsibility” (p.5). Therefore, the remainder of this section investigates the various responsibilities of Cretan authorities in tourism development in order to identify if Cretan local authorities contribute to the development of the local tourism industry. The authorities interviewed can be categorised according to their involvement in tourism development. 22 out of 25 local authorities surveyed undertook specific activities for tourism development and for seven of them tourism was their only responsibility. For a further five authorities, although tourism was not their major activity, they had established a tourism department within the authority, including the four Prefectures of the island, which are required by Law 2160/1993 to establish a Department for Tourist Promotion. In contrast, 10 authorities did not have any department to promote tourism, since their responsibilities were not directly involved in tourism. However, they operated some tourist activities. Of the three authorities that did not run any tourism activities, one was planning to employ skilled staff in order to contribute to the promotion of tourism. To sum up, the importance of tourism for the island is evident, since 22 out of 25 authorities surveyed had a direct or indirect involvement in tourism.

As Table 8.35 indicates, the most common activity of the authorities was: promotion/advertisement for 14 authorities mainly through participation in exhibitions, printing of information pamphlets and booklets, publishing hotel and tourist guides and having established sites in the internet. Other activities are carried out jointly with other administrative bodies at regional or local level for eight authorities. Specifically, the authorities participated in the establishment of the Tourism Company of Crete responsible for a regional tourism policy and the co-ordination of the public sector in tourism matters. The prime concern of six

authorities was to develop alternative forms of tourism, and for a further five to promote cultural tourism and/or organise festivals. Therefore, there are some indications that authorities have realised the significance of alternative and cultural tourism and have adopted some strategies in order to distribute benefits to indigenous people in the hinterland and the less-developed areas of the island and increase economic development opportunities for the host community.

Four authorities were responsible for the provision, operation and/or improvement of infrastructure. Other activities adopted by one or two authorities each included: the provision/improvement of services, the protection of coastal zones, the promotion of local products/nutrition through tourism, the participation in conferences and EC programmes, the advising/informing for tourism matters, elaboration of tourism studies and the increase of residents' consciousness towards tourism. Unfortunately, this question did not attempt to weigh the relative importance of the various activities, something that needs further research.

Table 8.35: Activities of local authorities for tourism development

	No of Responses	%
Promotion/Advertisement	14	64
Jointly with other bodies	9	41
Alternative forms of tourist	6	27
Culture/Festivals	5	23
Infrastructure	4	18
Other	10	46
Total (N =22)	48	219

Note: responses do not add up to 100%, due to multiple answers.

On the surface, the number and range of actions is encouraging. However, some of the actions described seem of questionable value. For example, although many authorities are involved in promotion, a situation may arise where many different bodies are involved in the promotion and development of the island and may be in conflict. Within the public sector, tourism is integrated within many organisations. Consequently, actions may be subject to increasing duplication and contradiction. Thus, some co-ordination and sharing of responsibilities with other local authorities, especially in the promotion field, is essential for the whole island.

This has been realised by some of the authorities involved in the establishment of the Tourism Company of Crete.

There was also limited concern for local development issues. The majority of authorities are either concentrated on a larger region or the entire island. Even when local or regional rehabilitation is attempted, attention seems to be directed more towards advertising and promotional activities, rather than designing policies aimed at ameliorating specific environmental and socio-cultural problems. In short, little emphasis is placed on ensuring that tourism spending flows to other areas, other than the coastal northern strip. As a result, many non-tourism communities are left on their own when it comes to capturing a share of the benefits associated with tourism activity.

There is little evidence of tourism evaluation studies, current tourism efforts suffer from a lack of rigorous evaluation and monitoring efforts and little emphasis has been placed on determining whether tourism, as a development strategy, fits within the socio-economic and environmental structure of the island and its communities. Existing efforts tend to concentrate on promotional activities and programmes primarily focus on ways that the island can improve its ability to attract tourists. Thus, there is a lack of innovation in the strategies of local authorities towards tourism development, and it can be assumed that authorities are concerned with their day-to-day activities, rather than looking ahead.

8.6 CONCLUSION

Based on the research findings, it is clear that tourism is a vital force for the island and the local population's welfare. Tourism development has increased foreign exchange for the island, income for enterprises and the Greek Government and has created employment opportunities for locals. The tourism industry has drawn its workforce from farming and only a minority of owners has multiple business ownership and employment activity. As a result, the income and prosperity of the majority of entrepreneurs depend on their properties. As far as employment in the Cretan tourism industry is concerned, although this survey confirmed the major

pre-conception that tourism employment is seasonal, it did not confirm other pre-conceptions that tourism creates part-time and female employment. However, owners' family members provide a significant number of labour-force for the vast majority of enterprises with exception mostly the large AEs.

With the exception of tourist shops and some of the larger AEs, the other enterprises buy most of their supplies locally. However, many of the products consumed by the tourist enterprises are imported. Exception to this was the supply of fresh foods. As far as services are concerned, they are carried out in-house mostly for the accommodation sector, in particular the large properties, although properties that did not have in-house services are very reliant on local services.

A major problem underlined by most of the respondents was related to seasonality, with job creation and return on investment limited to the summer season of less than seven months a year, and peak turnovers and occupancy rates severely restricted to the months of July, August and September. Consequently, the vast majority of enterprises are forced to close during winter, something that has been accepted by most respondents. Thus, emphasis is mostly placed on exploiting the tourism season rather than attempting to extend it. Besides, entrepreneurs were not satisfied enough with their enterprises' income and plans for expansion of enterprises are limited and are mostly incremental rather than innovatory.

A further issue emerging from the survey is the dependence of Cretan tourism industry on foreign tour operators. Although tour operators provide the island with mass tourism, these tourists tend to be cost - rather than quality - orientated. Therefore, tour operators demand and achieve massive discounts on services and enterprises have low profit margins leaving most entrepreneurs incapable of investing in extension or modernisation of their properties. Other problems expressed were related to insufficient provision of infrastructure, inadequate services, limited financial help from the state, high taxes paid to the government and the municipalities, low profitability, lack of capital, low-spending power tourism, as well as environmental degradation.

Whilst all these problems have long been recognised by many of the respondents, there was little evidence of significant actions taken to reduce them. An exception was the existing plan for the extension of the tourism season and the establishment of the Tourism Company of Crete, where many Cretans have concentrated their expectations on better development of tourism in the island.

After analysis of the outputs and outcomes of development in the sample areas, the next chapter goes further with the investigation of community groups' opinions on the development and planning process.

CHAPTER NINE: PERCEPTIONS OF THE DEVELOPMENT AND PLANNING PROCESS

9.0 INTRODUCTION

Few industries have such a pervasive impact on the local community as tourism. Therefore, it is considered essential to consider the perceptions of community groups (local authorities, residents and entrepreneurs/managers) in order to identify similarities and differences in their views towards tourism development. By better understanding of the local community's views concerning tourism, it is hoped to determine the extent to which they support tourism development and specify the forms of tourism expansion most favoured by the community.

This chapter is divided into six sections. Section one deals with the local authority views of residents' perceptions of tourism development. Section two investigates the perceptions of the local community (residents, owners/managers and local authorities) of various aspects of tourism development and compares the ratings of the three groups in order to identify differences in their perceptions. Section three deals with the opinions of residents on the role of the public sector in tourism development. Section four presents the proposals of owners/managers and local authority officials for changes/improvements to future promotional strategies. Section five investigates the support of the community for tourism development and presents proposals for action on further tourism development. The last section presents owners'/managers' and officials' views on tourism development and planning of the island.

As statistical measures of association in this chapter were used t-tests, ANOVA, χ^2 and Cramer's V.

9.1 LOCAL AUTHORITY OFFICIALS' VIEWS OF RESIDENTS' PERCEPTIONS

Tourism is a social phenomenon that has an impact on the values of society. However, tourism is also influenced by society, since the attitude of the local people plays an essential role in tourist satisfaction. Therefore, local authority officials were asked to evaluate the overall attitudes of the Cretan population towards tourists. The vast majority of officials (21 out of 25) stated that generally the attitudes of the local people towards tourism and tourists are encouraging for the further expansion of the tourism industry. As five officials highlighted, the local population respects and welcomes foreign tourists and supports tourism expansion. Two other officials stated that the local residents are very hospitable and friendly towards incoming tourists. One official said that his authority promotes local hospitality as an essential part of the Cretan tourist product.

Two officials suggested that the local community praise tourism for its profound effects on employment and income. Tourism expansion has resulted in the establishment of many new enterprises for the benefit of the local economy, unemployment rates have been reduced and income for many locals has increased. Consequently, residents have seen tourism as an alternative solution to the island's macro-economic problems and the only way to improve their standard of living through expansion of their real income, creation of shopping, sport, leisure and infrastructural facilities. As one official declared:

Residents' attitudes towards tourism on the coastal areas of the island, where tourism is mostly developed, are very positive. Attempts also are being made to improve residents' attitudes in the hinterland.

This suggests that in contrast to previous studies (e.g. Doxey, 1975; Allen et al., 1988; Dogan, 1989; Ryan et al., 1998), in areas of the island where tourism is well-developed (coast), residents have more positive attitudes compared to the areas where tourism is less-developed (hinterland).

Since there are not many other ways for the island to be developed, tourism is perceived as an essential development option. In this context, one official remarked that residents have invested in the island's tourism industry and expect a return. Another official expressed the opinion that those citizens who earn their living from tourism are more favoured towards foreign tourists, indicating that employment or economic reliance on tourism influences residents' attitudes. Four officials illustrated that some residents look upon tourists only as income and as an easy source of money. There is a lack of respect to tourists and relations between the local population and incoming tourists have been commercialised. One official referred to incidents where residents have been against tourists and avoided any contact with them. Therefore, two of the authorities have taken action to make locals more aware of incoming tourists. Another official suggested that the attitudes of the local community are very often contradictory. In some cases, residents support tourism, and in other they are against it. However, he was unable to specify the factors that cause these contradictory attitudes, making any further interpretation difficult.

On average, officials are optimistic about the social advantages publicly attributed to tourism. According to their opinion, residents have realised the potential of tourism for the island's welfare, they are sufficiently visitor friendly and support tourism development. Social disadvantages associated with tourism are not seen as serious. However, while tourism was viewed as having absolute economic benefits, some negative attitudes towards tourism were recognised by a minority of officials, mostly related to the commercialisation of relations.

9.2 COMMUNITY PERCEPTIONS OF TOURISM DEVELOPMENT

To gain an overall indication of community perceptions of tourism development, attitudes were examined through a series of statements. The results of the study groups ratings are presented in this section which is divided into four sub-sections: the first sub-section is concerned with residents' perceptions, the second with owners'/managers', the third with local authority officials' and the final with

differences in perceptions among the three study groups (residents, owners/managers and officials).

9.2.1 Residents perceptions of tourism development

This sub-section presents the key results on residents' ratings. It is divided into three parts. Part one investigates the perceptions of the total sample. Part two attempts to identify single factors (independent variables) tested by past studies as explanatory of residents' attitude toward tourism development. These factors include: city, length of residence, reliance on tourism employment, gender, age, education and income. The last part is concerned with two types of multiple factors:

- Factor analysis, condensing thirty Likert Scale attitudinal statements into a smaller set of components in order to examine interrelationships among items; and
- Cluster analysis, grouping residents on the basis of their competing views towards tourism.

9.2.1.1 Perceptions of the total sample

Table 9.1 presents the total sample responses to thirty attitudinal statements. The Table is divided into sections (I-V) which correspond to social, economic, environmental, overall impacts of tourism and development options. An examination of the data in Table 9.1 revealed generally positive views of tourism development. Figure 9.1, based on Table 9.1, illustrates diagrammatically the mean scores for each statement. In each section statements are presented in consecutive order from the lowest mean score to the highest. The numbers on the vertical axis are the statement numbers.

Table 9.1: Responses to tourism statements by residents*

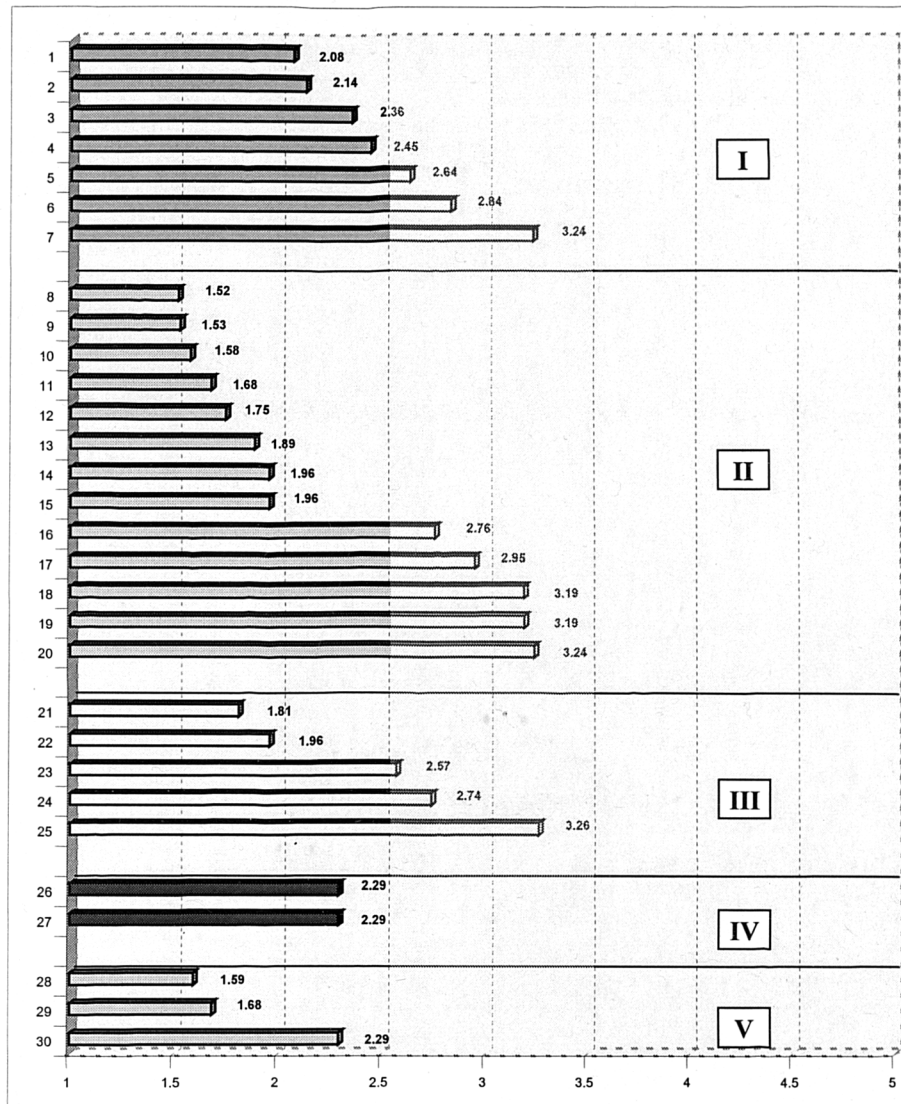
	1**	2**	3**	4**	5**	Mean	Std. Deviation
I. SOCIAL IMPACTS	%	%	%	%	%		
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	16	69	8	5	2	2.08	.77
2. Tourism has led to an increase in infrastructure for local people	15	67	9	9		2.14	.78
3. The money that tourism brings in is of benefit to the whole community	13	57	12	18		2.36	.92
4. How advantageous are the impacts of tourism on your family?	13	34	49	4		2.45	.76
5. How advantageous are the impacts of tourism on the social life?	10	43	21	23	2	2.64	1.02
6. Our household's standard of living is higher because of the money that tourists spend here	11	28	31	28	3	2.84	1.04
7. Tourism benefits a small group of people in the region	4	27	14	52	4	3.24	1.01
II. ECONOMIC IMPACTS							
8. How advantageous are the impacts of tourism on the Cretan economy?	51	48	***	***	***	1.52	.60
9. How advantageous are the impacts of tourism on Greek Government's income?	50	49	1		***	1.53	.58
10. How advantageous are the impacts of tourism on employment?	48	50	1	***	1	1.58	.65
11. How advantageous are the impacts of tourism on the region's economy?	41	54	4	2	***	1.68	.67
12. Tourism attracts more spending in the region	30	66	3	***	***	1.75	.58
13. Tourism attracts more investment in the region	24	65	8	3		1.89	.64
14. There should be no government incentives for tourism development	27	58	7	7	1	1.96	.84
15. Prices of many goods and services in the region have increased because of tourism	30	52	10	7	***	1.96	.86
16. Non-residents should be allowed to develop tourism attractions in this area	7	45	18	26	5	2.76	1.06
17. Most of the money earned from tourism ends up going to out of the region companies	5	27	37	31	***	2.95	1.04
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	4	29	19	41	8	3.19	1.07
19. There should be a specific tax on tourists	6	26	19	42	7	3.19	1.08
20. Tourism creates more jobs for foreigners than for local people in the region	4	22	21	53	***	3.24	.93
III. ENVIRONMENTAL IMPACTS							
21. This community should control tourism development	27	67	3	3		1.81	.61
22. Tourism provides an incentive for the restoration of historic buildings	17	75	4	4	***	1.96	.63
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	13	43	20	24	***	2.57	1.01
24. Tourism provides an incentive for the conservation of natural resources	10	43	14	28	5	2.74	1.13
25. How advantageous are the impacts of tourism on the environment?	5	25	19	41	10	3.26	1.10
IV. OVERALL IMPACTS							
26. Overall, the benefits of tourism are greater than the costs to the people of the area	11	62	14	14		2.29	.83
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	8	67	14	11		2.29	.77
V. DEVELOPMENT OPTIONS							
28. Authorities in the future should encourage higher spending tourists	52	39	6	2		1.59	.71
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	49	40	4	6	***	1.68	.84
30. Authorities in the future should encourage greater numbers of tourists	29	40	8	21	3	2.29	1.18

* Percentages (rows) do not always total 100% due to rounding

** For statements 4,5,8,10, 11, and 25 the Likert Scale ranged from 1 (very advantageous) to 5 (very disadvantageous) and for the remainder from 1 (strongly agree) to 5 (strongly disagree)

*** Less than 1%.

Figure 9.1: Mean scores of residents' ratings



As previous studies of residents' attitudes have found (Sethna, 1980; Ahmed, 1987; Long, 1991), this study revealed that local communities praise tourism because it encourages more cultural events and activities by the locals and for increased infrastructural facilities (85% and 82% respectively of residents agreed or strongly agreed). Equally, 49 percent of residents stated that the impact of tourism was neutral on their family, although 34 percent accepted tourism as advantageous and a further 13 percent very advantageous. Ratings on the impacts of tourism on social life were more evenly distributed across the scale, although more than half of the respondents (53%) found them positive. 70 percent of residents agreed that money from tourism is of benefit to the whole community,

39 percent suggested that their standard of living has increased because of tourism spending, although 31 percent chose the middle of the scale and more than half disagreed that tourism benefited a small group of people.

Regarding the economic impact statements more than 95 percent of residents expressed favourable opinions on the impacts of tourism on the Cretan economy, on their region's economy, on Greek Government income and on employment. There is a major perception among residents that tourism is a definite economic asset for the island's welfare. Therefore, the standard deviations on these statements are moderate, indicating a consensus of residents' opinions on the positive influence of economic impacts. Similarly, an overwhelming percentage (96%) of residents agreed that tourism attracts more spending in the region. As might be anticipated, responses to the parallel statement "tourism attracts more investments in the region" gave similar results (89% agreed).

Tourism was criticised for the increased prices of many goods and services (82% agreed). Over 50 percent agreed and 18 percent were neutral that non-residents should be allowed to develop tourist attractions. Regarding the statement that most of the money earned from tourism is reaped by companies outside the region, the vast majority of responses (95%) were centralised between 'advantageous' and 'disadvantageous', with 37 percent of responses on the middle of the scale, suggesting that they are open to a number of possibilities. Next, 85 percent of residents expressed their disagreement in the case of no government incentives for tourism development and 49 percent disagreed to the statement "non-Cretan owned businesses are beneficial for the region's tourist industry". 49 percent of residents disapproved of the establishment of a specific tax for tourists, something that was suggested only by 32 percent of interviewees. Finally, the largest disagreement (53%) was expressed with the statement that tourism creates more jobs for foreigners than locals.

One strongly supported statement was that local authorities have failed to control tourism development and therefore 94 percent of residents called for higher control of the industry. Next, residents praised tourism for providing an incentive

for the restoration of historic buildings (92% agreed), although the support was lower for the statement “tourism provides an incentive for the conservation of natural resources” (53% agreeing). 56 percent of residents agreed that the construction of hotels and other tourist facilities destroys the natural environment. On the other hand, ratings on the general impacts of tourism on the environment were less rosy with slightly over than half of residents finding them negative.

Clearly, there was a general consensus about the benefits derived from tourism development with more than 70 percent of residents agreeing that the overall benefits of tourism are greater than the costs to the people of the area and to Crete as a whole. Furthermore, residents agreed strongly that authorities should encourage higher spending tourists and visitation of the island outside the main summer season (92% and 89% respectively agreeing). When asked whether they would support an increase in the number of tourists visiting the island, 69 percent responded positively, while 24 percent viewed such an increase negatively.

9.2.1.2 Single explanatory factors of residents' attitudes

Many studies have stated that groups are not necessarily homogenous, but their attitudes towards tourism development may differ because of various factors. Therefore one-way ANOVA and t-tests were used to identify significant differences between the seven groups (single factors) and the thirty Likert scale statements. In the results of the ANOVA and t-tests (Appendix R), not many statistical differences were evident as residents displayed quite a high degree of similarity in their choices. However, some groups presented some differences.

Among the seven socio-demographic variables used education and employment reliance on tourism were the best discriminators of attitudes towards tourism development. Education was a discriminator for ten of the statements. Almost 65 percent of the highly-educated agreed that tourism benefits a small group of people in the region, although the proportions for the low and medium educated groups were less than 50 percent. For the impacts of tourism on the regional economy, the majority (65%) of the less-educated perceived tourism as

advantageous, although the proportion of medium and highly-educated, who perceived tourism as advantageous was lower (48% and 53% respectively). On the other hand, less-educated residents were less positive about the impacts of tourism on the Cretan economy, with 61 percent considering them to be advantageous. However, the majority of medium and highly-educated residents viewed tourism as very advantageous (59% and 51% respectively). In addition, 61 percent of the highly-educated did not think that tourism creates more jobs for foreigners than local people, whereas the percentage of less-educated who thought the same was 43 percent. When asked whether they thought, "tourism attracts more spending in the region", almost all responses were positive. However, the percentage of highly-educated who agreed strongly was higher (44%) compared to the medium-educated (26%) and the less-educated (16%). Finally, 90 percent of the highly-educated expressed the opinion that the prices of products and services have increased because of tourism although the percentages for the other two groups who agreed were less than 75 percent.

Highly-educated residents were more negative about the impacts of tourism on the environment with 69 percent being negative, compared to 47 percent of the medium-educated and 53 percent of the less-educated. The highly-educated argued more frequently (73% on the positive side) that the construction of hotels and other tourist facilities had destroyed the environment. The percentage with the same view was lower for the less and medium-educated (both 51% on the positive side). When asked whether they agreed that "tourism provides an incentive for the conservation of natural resources" 33 percent of highly-educated agreed or strongly agreed compared to 59 percent of the medium-educated and 74 percent of the less-educated. On the other hand, 57 percent of the highly-educated agreed with the encouragement of greater numbers of tourists, although the percentages were 76 percent for the medium and 71 percent for the less-educated. Overall, highly-educated residents were less favourable about most of the environmental impacts of tourism, compared to the medium and less-educated.

Reliance on tourism employment was a discriminator of attitudes towards tourism development for nine of the statements. For the statement "the money that tourism

brings is of benefit to the whole community”, 75 percent of tourism-reliant residents agreed. The percentage was lower for residents who were non-reliant on tourism (63% agreed). The majority (60%) of non-reliant residents found tourism neutral on their family, although the majority (57%) of reliant viewed tourism as advantageous. Similarly, approximately 36 percent of non-reliant residents chose the middle of the scale and a further 40 percent disagreed that their household’s standard of living was higher because of tourism spending, although reliant respondents were more favoured with 50 percent having agreed and 26 percent responding neutrally. For the impacts of tourism on both their region’s economy and Cretan economy, 62 percent of residents, who were non-reliant on tourism, perceived tourism as advantageous, although 50 percent and 63 percent respectively of reliant residents chose the very advantageous point. Similarly, for the impacts of tourism on Greek Government income and on employment, 68 percent and 62 percent respectively of non-reliant residents perceived tourism as advantageous, although the majority (64% and 58% respectively) of reliant were less likely to view it as very advantageous. Furthermore, for the statement “tourism attracts more investments in the region”, non-reliant residents were less positive (16% strongly agreed and 68% agreed), although 30 percent of reliant residents strongly agreed and 64 percent agreed. Non-reliant residents suggested more frequently (38% on the agree side) the taxation of tourists, compared to 27 percent of reliant residents.

With the statement suggesting the encouragement of higher spending tourists, 58 percent of the non-reliant strongly agreed, although the percentage of the reliant who strongly agreed, was 46 percent. On average, as was expected tourism reliant residents expressed more favourable opinions.

Concerning city of residence, eight variables recorded significant relationships. The greatest contrast of views was found between residents of Agios Nikolaos and residents of all other cities. Specifically, those from the city of Agios Nikolaos agreed that the impacts of tourism were beneficial for their family (72%) and that their standard of living had improved because of tourism (67%), but the residents of Heraklio were more likely to be neutral about the impact of tourism on their

family (71%) and on their families' standard of living (43%). In addition, 72 percent of residents of Rethymno and 64 percent of Agios Nikolaos disagreed that tourism benefits a small group of people in the region, although half of Chania residents agreed. The statement "the money that tourism brings in is of benefits to the whole community" was more frequently agreed with by residents of Agios Nikolaos (87%), followed by residents of Rethymno (72%), although the percentages of residents who agreed or strongly agreed in Chania and Heraklio were lower (66% and 56% respectively). When asked for the impacts of tourism on Greek Government income, residents of all cities found them advantageous. However, the share of residents of Heraklio and Agios Nikolaos finding them very advantageous was higher (both of them 64%), although for the cities of Rethymno and Chania the percentages were lower (35% and 37% respectively). Residents of Heraklio were the most negative about the impacts of tourism on the environment, followed by residents of Chania (64% and 56% respectively finding them negative), although 46 percent of Agios Nikolaos residents found them positive. Again, residents of Agios Nikolaos were the most supportive of the attraction of higher numbers of tourists (92% agreed), although 34 percent of Chania residents and 28 percent of Heraklio were opposed to it. Moreover, Heraklio residents suggested more frequently the encouragement of tourists to visit Crete outside the summer season (98% agreed or strongly agreed), although a minority of residents of Chania (18%) disagreed.

To sum up, residents of the city of Agios Nikolaos, which has the highest level of tourism expansion among the four cities, favoured tourism relatively more than residents of the other cities, suggesting again that residents of areas depending on tourism are more favourable towards it.

Gender was significant as an explanatory variable of attitude only for four statements. 90 percent of women agreed that because of tourism, prices for many goods and services have increased, although the percentage was 77 percent for men. Additionally, non-Cretan ownership is perceived to be beneficial for 39 percent and non-beneficial for 45 percent of men, although 33 percent of women views were in the middle of the scale and an additional 53 percent found it to be

non-beneficial. Women suggested more frequently that there should be a tourism tax (43% agreed or strongly agreed), compared to men (58% disagreed). Additionally, women were more likely to negatively view the impacts of tourism on the environment, with 60 percent finding them disadvantageous, compared to men (45%). To sum up, for the four items with significant relationships with gender, women were more negative in terms of attitudes to tourists compared to men.

Age was not a significant discriminator with the exception of three statements. The vast majority of the younger residents found the impacts of tourism neutral for their families (71%), although 52 percent of older and 63 percent of middle-aged residents viewed them as advantageous or very advantageous. For the impacts of tourism on the environment, 50 percent of the older residents viewed them as advantageous or very advantageous, although young and middle-aged residents were more negative (68% and 63% respectively viewed them as disadvantageous or very disadvantageous). Besides, approximately 95 percent of middle-aged and older residents agreed that the authorities should encourage tourists to visit the island outside the summer season, although the percentage for younger residents was 81 percent. In summary, younger residents viewed environmental impacts more favourably, they supported visitation of the island outside the summer season less and their families were less affected by tourism.

Length of residence was a discriminator only for two statements. 51 percent of newcomers viewed tourism as advantageous for their region's economy and 56 percent of life-long residents perceived it as advantageous. Regarding the statement, "tourism provides an incentive for the conservation of natural resources", 45 percent of life-long residents agreed and a further 25 percent disagreed, although the proportion of newcomers who agreed was lower (36%) and who disagreed higher (34%).

Income was not a factor influencing opinions except for one statement. 66 percent of the high-income group disagreed that tourism creates more jobs for foreigners than locals. The percentage for the lower-income group was lower (42%).

Overall, the two most important discriminators of attitudes towards tourism development were education and employment reliance (10 and nine significant associations respectively). A third discriminator was city of residence with eight significant associations. For the remaining single factors (gender, age, length of residence and income), not many significant associations were found.

9.2.1.3 Important factors for residents attitudes

To identify interrelationships among the 30 variables and discover underlying patterns without sacrificing the data's original integrity, further analysis of residents' perceptions was undertaken using factor analysis. The results are shown in Table 9.2. Column 1 reports the allocation of the 23 items¹. The next nine columns report the nine factors and the loading for each item. The nine factors accounted for 62.4 percent of the variance in the data. The factor solution used has extracted the factors in the order of their importance, with the largest and best combinations first, and then proceeding to smaller. Factor 1 accounts for the most of the variance (16.9%), whereas the second accounts for 9.3 percent and the third for 8.3 percent. The remaining six factors account in total for 27.9 percent of variance, ranging from 6.1 to 3.7 percent. The last column presents the communalities (H^2). The item dealing with the impacts of tourism on the Cretan economy followed by the item dealing with the environmental impacts had the highest communalities ($H^2 = .879$ and $.771$ respectively), indicating that these items explain a higher proportion of the variance than is accounted for, by all the factors taken together. Two items had very low communality, the item "most of the money earned from tourism ends up going to out of the region companies" ($H^2 = .262$) and "authorities in the future should encourage higher spending tourists" ($H^2 = .279$), showing that they had little relation to the factors.

¹ As already mentioned in the methodology chapter, six items failed to meet the criterion of $\pm .40$ loading and one factor had only one item, and were excluded from the factor analysis.

Table 9.2: Factor analysis results

	1	2	3	4	5	6	7	8	9	H ²
How advantageous are the impacts of tourism on your family?						.614				.482
How advantageous are the impacts of tourism on the region's economy?	.725									.670
How advantageous are the impacts of tourism on the Cretan economy?	.927									.879
How advantageous are the impacts of tourism on Greek Government's income?	.831									.729
How advantageous are the impacts of tourism on employment?	.639									.547
How advantageous are the impacts of tourism on the environment?			.828							.771
How advantageous are the impacts of tourism on the social life?			.433							.396
Authorities in the future should encourage higher spending tourists					.429					.279
Authorities in the future should encourage tourists to visit Crete outside the main summer season					.811					.747
Our household's standard of living is higher because of the money that tourists spend here						.716				.630
Tourism creates more jobs for foreigners than for local people in the region		.						.539		.491
Tourism attracts more spending in the region							.752			.630
Tourism attracts more investment in the region							.501			.441
Most of the money earned from tourism ends up going to out of the region companies								.492		.262
Non-Cretan owned businesses are beneficial for the region's tourist industry									.728	.614
Tourism benefits a small group of people in the region								.415		.448
Non-residents should be allowed to develop tourism attractions in this area									.533	.387
The construction of hotels and other tourist facilities has destroyed the natural environment in the region			-.575							.467
Tourism provides an incentive for the restoration of historical buildings		.648								.525
Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)		.715								.639
Tourism has led to an increase in infrastructure for local people		.456								.384
Overall, the benefits of tourism are greater than the costs to the people of the area				.685						.621
Overall, the benefits of tourism are greater than the costs to Crete as a whole				.722						.760
Eigenvalue	5.071	2.791	2.494	1.839	1.575	1.368	1.310	1.139	1.119	
Percentage of variance explained	16.9	9.3	8.3	6.1	5.3	4.6	4.4	3.8	3.7	

Notes: 1. Extraction Method: Principal Axis Factoring. Rotation Method: Varimax

2. H² = Communalities3. Only loadings greater than $\pm .40$ are reported

4. Total percentage of explained variance, 62.4%.

Factor 1: The four items allocated in this factor have very high loadings compared to all other factors, ranging from .927 to .639, and indicating a high interrelationship of the items. For the reason that factor reflects the importance of tourism for the island's economy, it was labelled *economic benefits dimension*. Looking at this factor, we see that all variables are positively related to each other, suggesting that there is a consensus on the economic prosperity derived from tourism for the Cretan economy, the region of the respondent's economy, employment and government income. This was not unexpected since the literature shows an overall satisfaction in a myriad of studies with the economic benefits derived from tourism expansion, something that has made governments, developers and residents of many receiving destinations view tourism as a panacea for their destination's macroeconomic problems.

Factor 2: Since this factor incorporates statements dealing with the positive effects of tourism on culture and infrastructure, it was labelled *cultural and infrastructural dimension*. It is evident that residents did not favour tourism only for its economic benefits, but also for the incentives it provides for the restoration of historical buildings, the encouragement of a variety of cultural activities by locals and the increase in infrastructure for local people, items easily associated with the improvement of the destination's image.

Factor 3: Although the economic benefits and the cultural and built dimension account for the largest amount of variance, it does not mean that the other factors are unimportant, since the third factor has the item with the third highest loading. Two of the three items loading higher in this factor are primarily statements dealing with the environment. Thus, this factor was labelled *environmental dimension*. In this factor we see that two of the variables are positively related to each other and negatively to the statement "the construction of hotels and other tourist facilities has destroyed the physical environment in the region". Thus, it can be interpreted that residents having supported the two positively related statements had disagreed with the third negative one. As a result, residents who expressed their satisfaction with the overall positive impacts of tourism on the environment and social life, expressed disagreement with the item, "the construction of hotels and other tourist facilities has destroyed the natural environment in the region". Another issue to note is the lowest significance

variable found in this factor dealing with the impacts of tourism on social life and showing that residents related environmental impacts with social ones.

Factor 4: The central issue in this factor is the overall benefits that tourism creates for the people of each respondent's area and the whole island. Therefore, it was labelled *overall benefits dimension*. Since the loadings of the two items found in this factor are highly and positively correlated, it can be assumed that residents could not find many differences in the impacts of tourism on the people of their area and Crete as a whole.

Factor 5: is concerned with two of the three future directions that local authorities should take into consideration in the development of the island, the extension of the tourism season and the attraction of higher spending tourists. Therefore, it was labelled the *development options dimension*. The majority of residents supporting the expansion of the tourism season also suggested the attraction of better quality tourists, showing support for tourism development under the condition of spreading the tourism flow and changing the cheap mass tourism pattern. While the grouping of these two statements is easy to understand due to their strong reference to the future direction of the local authorities, it is noteworthy that the third option dealing with an increase in the number of tourists did not load on this factor or any other factor. Therefore, spending power and seasonal distribution of tourists are not interrelated to quantity.

Factor 6: was labelled *family benefits dimension* since the two items found in this factor are concerned with the increased standard of living and the impacts of tourism on the respondents' family. In particular, residents suggesting an improvement in their standard of living also mentioned the overall beneficial impacts of tourism on their family. Interestingly, the item dealing with the impacts of tourism on social life was not found in this factor, indicating that residents related the impacts of tourism on social life with environmental impacts rather than the impacts of tourism in their family.

Factor 7: Not surprisingly, the statements dealing with spending and investments are positively interrelated in the same factor. Therefore, this factor was labelled *spending and investment dimension*.

Factor 8: The literature review in previous chapters stressed the concern for the leakage of money created from tourism development. The three items in this

factor deal with the notion that tourism creates employment and income for outsiders. As a result, it was labelled *leakage dimension*. It is noteworthy that statements dealing with another aspect of leakage, outside intervention, are not found in this factor but appear in another factor.

Factor 9 is the last factor to be considered. It deals with opinions on the control of *outside intervention* in the island's tourism industry.

In short, the factor analysis shows that the five most important issues to the residents of Crete are the impacts of tourism on the economy, culture and infrastructure, environment, overall benefits and the development options to be followed by developers and planners. Nevertheless, it is essential to note that the addition of other variables may have changed the outcome of the factor (as well as the cluster analysis below).

Stepwise multiple regression models were performed between each of the nine factors as dependent variables and city of residence (converted into three independent variables: city of Heraklio, Chania, and Rethymno), length of residence, employment reliance, gender, age, education and income, as independent. The aim was to identify which of the independent variables are more strongly related to the factors and to estimate the percentage of variance in the factors explained by the independent variables. Table 9.3 shows the results of the regression analysis. Column one shows the Factors and the variables having shown significance in each factor. By using the F ratios six out of the nine regression models have shown significance. Three models (the cultural and infrastructural, the overall benefits and the outside intervention dimensions) did not make any significant prediction and are not presented in the table. Column two presents the Beta (β) coefficients that show the relative effect of each independent variable on each Factor. Column three shows the *coefficient of determination* (r^2) that measures the percentage of total variation of each factor explained by the independent variables. The model explaining the environmental dimension performed much better than all others, explaining 13.6 percent of the variance. The next model explaining a high amount of variance was the economic benefits dimension (10.6%). The other four models had a lower prediction ranging

from nine percent for the leakages dimension to 3.3 percent for the spending-investment dimension. The last two columns show the significance of the correlation between the factors and the independent variables by using t-test statistics.

Table 9.3: Influence of independent variables on factors

	Beta (β)	R ²	T-value	Sig.
Factor 1: Economic benefits dimension F = 9.537, Sig. = .000				
Employment reliance	-.260	.063	-3.480	.001
Education	-.208	.106	-2.794	.006
Factor 3: Environmental dimension F = 12.699, Sig. = .000				
Education	.334	.113	4.554	.000
Length of residence	-.153	.136	-2.086	.039
Factor 5: Development options dimension F = 5.432, Sig. = .005				
City of Heraklio ^a	-.214	.037	-2.778	.006
Age	-.164	.063	-2.126	.035
Factor 6: Family benefits dimension F = 5.559, Sig. = .005				
Employment reliance	-.220	.037	-2.845	.005
City of Heraklio ^a	.167	.065	2.162	.032
Factor 7: Spending – investments dimension F = 5.595, Sig. = .019				
Education	-.183	.033	-2.365	.019
Factor 8: Leakages dimension F = 7.980, Sig. = .000				
Education	.260	.049	3.404	.001
Age	.206	.090	2.687	.008

^a Dummy-coded: 1 = City of Heraklio, 0 = other cities.

Education was the best contributor, making a prediction for four out of the six factors. The highly-educated perceived more favourably the economic benefits (β = -.260) and spending and investments (β = -.183), although they were less positive for the environmental impacts (β = .334) and leakages (β = .260). Another predictor was employment reliance. Not surprisingly, non-reliant residents had perceived as less positive the economic benefits (β = -.260) and their families had been less affected by tourism (β = -.290). In the model dealing with the development options dimension, city of Heraklio was the best predictor. The beta weight for city of Heraklio was negative (β = -.214), indicating that residents of Heraklio perceived the attraction of higher spending tourists and visitation of the island outside the main summer season more frequently than residents of the

other cities. In the model dealing with the family benefits dimension, residents of Heraklio were less positive ($\beta = .167$). Age was the second best predictor in the development options model. The negative beta weight ($\beta = -.164$) shows that younger residents suggested less frequently the development options. Additionally, the positive weight ($\beta = .206$) on the leakages dimension model indicates that younger residents suggested more frequently the leakages emerging through tourism. Length of residence was a predictor in the environmental dimension model. Long-life residents were less positive about the environmental impacts compared to newcomers ($\beta = -.153$). Gender and income did not make any significant prediction.

9.2.1.4 Segmentation of residents by their attitudes towards tourism

In an attempt to classify the sample into meaningful subgroups a cluster analysis was carried out, based on the 30 Likert Scale statements, which were also used in the factor analysis. Once clusters were identified, their key characteristics were determined and they were named by comparing the mean scores of responses and the ratings on the Likert scale for each question. The highest difference of the means across the clusters was for the variable dealing with the impacts of tourism on the environment followed by the variable “tourism creates more jobs for foreigners than for local people”, indicating more distant opinions of clusters in these two statements. Five out of the 30 statements did not show any statistical significance and were excluded from further analysis.

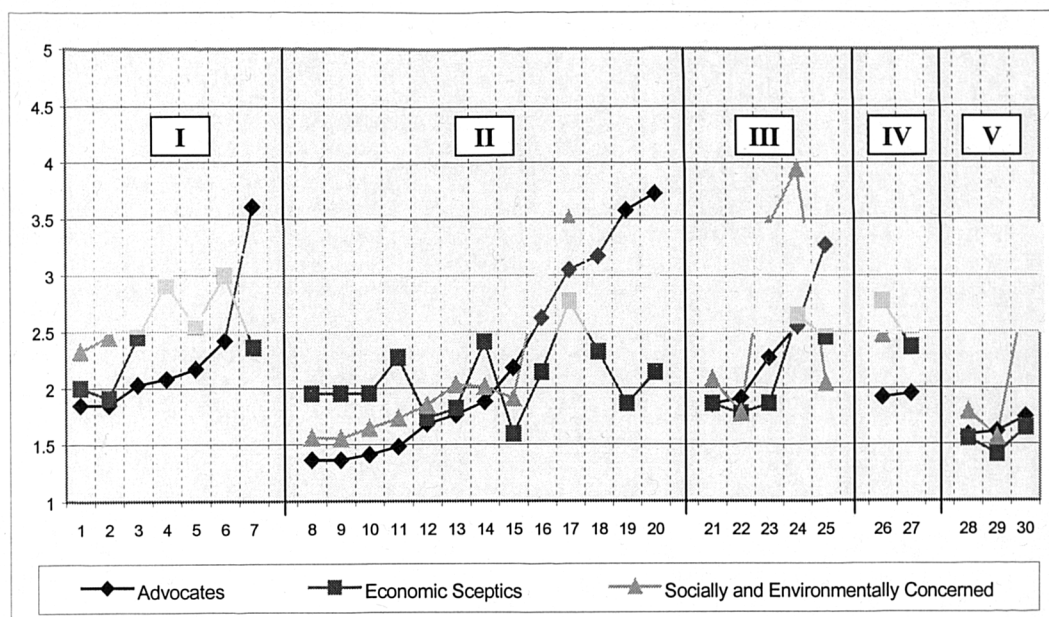
The profiling procedure based upon the mean average score for the 30 statements produced three clusters, namely ‘Advocates’, ‘Economic Sceptics’, and ‘Socially and Environmentally Concerned’. An analysis of the three clusters follows (Table 9.4, Figure 9.2).

Table 9.4: Residents segmentation

	CLUSTERS MEANS			F RATIO ¹	Sig. ²
	1	2	3		
I. SOCIAL IMPACTS					
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	1.85	2.00	2.32	7.793	.001
2. Tourism has led to an increase in infrastructure for local people	1.85	1.91	2.45	13.535	.000
3. The money that tourism brings in is of benefit to the whole community	2.03	2.45	2.71	10.777	.000
4. How advantageous are the impacts of tourism on the social life?	2.08	2.91	3.05	22.062	.000
5. How advantageous are the impacts of tourism on your family?	2.17	2.55	2.68	9.136	.000
6. Our household's standard of living is higher because of the money that tourists spend here	2.42	3.00	3.26	13.347	.000
7. Tourism benefits a small group of people in the region	3.61	2.36	3.15	14.580	.000
II. ECONOMIC IMPACTS					
8. How advantageous are the impacts of tourism on the Cretan economy?	1.36	1.95	1.56	8.644	.000
9. How advantageous are the impacts of tourism on Greek Government's income?	1.36	1.95	1.55	9.218	.000
10. How advantageous are the impacts of tourism on employment?	1.41	1.95	1.64	6.257	.002
11. How advantageous are the impacts of tourism on the region's economy?	1.48	2.27	1.73	12.733	.000
12. Tourism attracts more spending in the region	1.68	1.73	1.85	1.436	.241
13. Tourism attracts more investment in the region	1.76	1.82	2.03	3.274	.040
14. There should be no government incentives for tourism development	1.88	2.41	2.01	3.169	.045
15. Prices of many goods and services in the region have increased because of tourism	2.18	1.59	1.91	4.592	.011
16. Non-residents should be allowed to develop tourism attractions in this area	2.62	2.14	3.05	8.487	.000
17. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.05	2.77	3.50	5.997	.003
18. Most of the money earned from tourism ends up going to out of the region companies	3.17	2.32	2.85	8.680	.000
19. Tourism creates more jobs for foreigners than for local people in the region	3.58	1.86	3.35	42.283	.000
20. There should be a specific tax on tourists	3.73	2.14	2.99	25.550	.000
III. ENVIRONMENTAL IMPACTS					
21. Tourism provides an incentive for the restoration of historical buildings	1.86	1.86	2.08	2.742	.067
22. This community should control tourism development	1.91	1.77	1.78	.838	.435
23. Tourism provides an incentive for the conservation of natural resources	2.27	1.86	3.45	40.655	.000
24. How advantageous are the impacts of tourism on the environment?	2.55	2.64	3.94	47.793	.000
25. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	3.27	2.45	2.04	38.095	.000
IV. OVERALL IMPACTS					
26. Overall, the benefits of tourism are greater than the costs to the people of the area	1.92	2.77	2.47	14.105	.000
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	1.95	2.36	2.55	12.023	.000
V. DEVELOPMENT OPTIONS					
28. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.58	1.55	1.79	1.474	.232
29. Authorities in the future should encourage higher spending tourists	1.61	1.41	1.56	.687	.505
30. Authorities in the future should encourage greater numbers of tourists	1.74	1.64	2.85	25.735	.000

¹ df between groups = 2, within groups = 163² The values shown in bold indicate a statistically relationship at the .05 level of confidence

Figure 9.2: Mean scores of clusters



Cluster 1: Advocates

The first cluster represents 40 percent of the sample. Because this group is notable for its strong support of tourism, it was labelled 'Advocates'.

'Advocates' expressed the most favourable opinions on the six statements dealing with the positive social impacts of tourism and were more likely to express disagreement, compared to the other clusters, with the statement that tourism benefits a small group of people in the area (74% disagreed or strongly disagreed). Families of 'Advocates' are mostly affected by tourism development, (64% declared as advantageous the impacts of tourism to their family) something that might explain their strong support for tourism development.

'Advocates' show a high appreciation of tourism's impacts on their region's and the Cretan economy, on employment, and on government revenues (with an overwhelming percentage, 99%, considering tourism as advantageous), and agreed stronger that tourism attracts more investments in their region (97% on the agree side). As a result, it is clear that there is a widespread perception among this cluster that tourism is a definite economic asset for the island's welfare. Their support of the tourism industry is evident in the 71 percent who disapproved of

the establishment of a specific tax on tourists and 91 percent who supported the proposal that the government should provide incentives for the tourism development of the island.

'Advocates' did not express much concern over the environmental impacts of tourism, as the next cluster did. 47 percent disagreed and 35 percent responded neutrally (suggesting that they are open to a number of possibilities), with the statement that "the construction of hotels and other tourist facilities has destroyed the natural environment". 55 percent perceived tourism as being advantageous for the environment. 96 percent praised tourism because it provides an incentive for the restoration of historic buildings.

With the statements dealing with the overall benefits of tourism, 'Advocates' were more likely to agree (90% gave a score above the mid-point of three) than those in the other clusters.

Surprisingly, 'Advocates' were between the other two clusters for the statement supporting the encouragement of greater numbers of tourists, although the vast majority (93%) were positive.

In general, 'Advocates' are notable for their recognition of the significance of the tourism industry for Crete and when considering statements related to the negative effects of tourism, they were more likely to show disagreement than the other two groups.

Cluster 2: Economic Sceptics

This cluster is the smallest, comprising 13 percent of the total sample. Whereas, the 'Advocates' possessed the most positive opinions, this segment was rated the most negative for the economic impacts of tourism. Therefore, it was called

'Economic Sceptics' were rated in-between for the social impact statements with the exception of the statement "tourism benefits a small group of people in the area" where they were most likely to be positive (64% agreed).

For the impacts of tourism on their region and the Cretan economy, on employment and on the Greek Government's income, 'Economic Sceptics' were the most negative. 'Economic Sceptics' accepted more frequently than the other clusters (91% on the agree side) that tourism creates more jobs for foreigners than for locals, and that most of the money earned from tourism ends up going out of the region (55% on the agree side and 41% on the middle of the scale). Nevertheless, more than half supported the statement that non-Cretan owned businesses are beneficial for the region's tourism industry and 82 percent welcomed the development of tourism attractions by non-residents, giving the impression that the island is not exploited fully in tourism terms.

'Economic Sceptics' were more likely to agree with the statement "tourism provides an incentive for the conservation of natural resources" (85% on the agree side), although for the other two environmental statements they were rated in-between the other two clusters.

Although 'Economic Sceptics' were the most negative among the groups for the statements dealing with the overall benefits of tourism for the people of their area (50% agreeing and 32% disagreeing), they were between the other two clusters for the overall benefits of tourism to Crete as a whole (77% agreeing), indicating that people in their area had received less benefits from tourism expansion than the island as a whole, and therefore they call for outsiders to develop further the industry. Similarly, they supported more strongly the encouragement of greater numbers of tourists (96% on the agree side).

Cluster 3: Socially and Environmentally Concerned (SEC)

The third cluster represents the largest segment of the sample, comprising 47 percent of the total. This cluster is characterised by the most negative views of the social and environmental impacts of tourism, and therefore it was labelled 'SEC'. 'SEC' families' have not benefited significantly from tourism expansion (73% found disadvantageous the impacts of tourism on their family). SEC were the most negative for all the statements dealing with the social impacts of tourism, with exception the statement "tourism benefits a small group of people", where

their responses were more evenly distributed across the scale (46% disagreed and 31% agreed).

'SEC' have been rated in-between for most of the economic impact statements, with the exception of the following two statements where they were the most negative: "non-Cretan owned businesses are beneficial for the region's tourist industry" (62% on the disagree side) and "non-residents should be allowed to develop tourism attractions in this area" (42% were on the disagree side and 16% on the middle of the scale). This can be associated with the notion that the attraction of outsiders into the island's tourism industry may further burden the environmental resources.

'SEC' indicated the highest consensus among the groups toward the environmental costs resulting from tourism development. 'SEC' were rated the most negative (63% on the disagree side) in respect of the statement "tourism provides an incentive for the conservation of natural resources" and they were more likely to agree (86% ranked above the average point) with the statement that "the construction of hotels and other tourist facilities has destroyed the natural environment". Similarly, 82 percent considered the impacts of tourism on the environment disadvantageous.

'SEC' did not show much agreement with the statements that the overall benefits of tourism outweighed costs. Additionally, they supported less strongly the encouragement of greater numbers of tourists (41% disagreed) compared to the other two groups. To summarise, for this group, future tourism development should be controlled and environmentally friendly.

In conclusion, residents of Crete are not a homogenous group in their perceptions of tourism impacts and development. The findings of the clustering procedure suggest that community groups in Crete have a different degree of positivity towards various tourism impacts (Figure 9.3). 'Advocates' are the most positive about all the impacts of tourism, 'Economic Sceptics' are the most negative about the economy and 'SEC' are the most negative about social and environmental

impacts. Regarding the overall benefits of tourism, 'Advocates' are again the most positive, although opinions of the other two groups are mixed.

Figure 9.3: Degree of clusters' positivity towards tourism impacts

		'Advocates'	'SEC'	'Economic Sceptics'	
Social	+	←	→	→	-
Economic	+	←	→	→	-
Environmental	+	←	→	→	-

As mentioned above, attitudes towards tourism may vary because of different socio-demographic and other related characteristics of the respondents. Therefore, in order to describe and further analyse respondents' attitudes within clusters, a number of classifying variables were tested to assess whether differences exist. City of residence, length of residence, employment reliance in tourism, gender, age, education, and income were tested for significant associations with the three clusters. It is interesting to note that the clusters derived from the attitudinal statements were independent of socio-demographic characteristics apart from one, the education level of respondents (Cramer's $V = .240$). As Table 9.5 indicates, the first cluster ('Advocates') had the highest share (47%) of medium-educated, the second cluster ('Economic Sceptics') the higher share of less-educated (54%) and the third cluster ('SEC') the most highly-educated respondents (48%). As a result, it may be assumed that the medium-educated residents were more supportive of tourism development, the less-educated were more negative about the economic effects of tourism, and the highly-educated expressed more concern about the environmental and social costs of tourism.

Table 9.5: Educational background of clusters

	Less-educated %	Medium-educated %	Highly-educated %
Clusters			
'Advocates'	20	47	33
'Economic Sceptics'	54	32	14
'SEC'	15	37	48
Total of clusters (N = 166)	22	41	37

9.2.2 Perceptions of owners/managers

Similar to the residents' survey, owners/managers were rated on various statements. Table 9.6 shows owners'/managers' perceptions of these statements. The table is divided into sections (I-III) which correspond to statements related to the role of tour operators, the impacts of tourism and future development options. Figure 9.4, based on Table 9.6, illustrates diagrammatically the mean scores for each statement. The numbers on the vertical axis are the statement numbers.

Table 9.6: Responses to tourism statements by owners/managers*

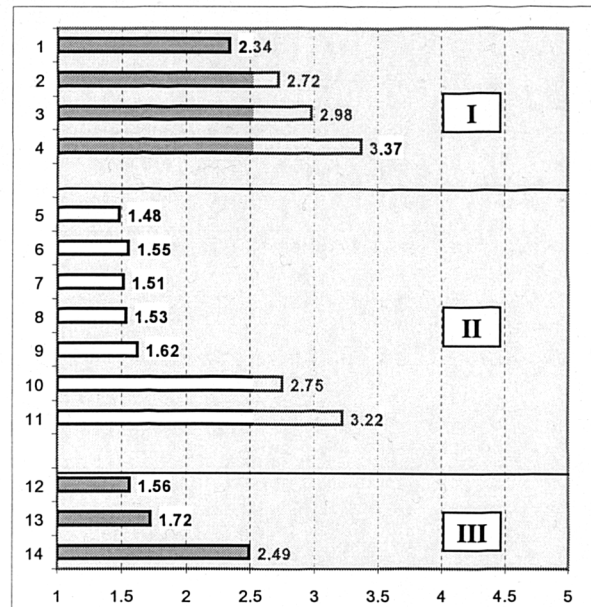
	1*	2*	3*	4*	5**	Mean	Std. Deviation
	%	%	%	%	%		
I. ROLE OF TOUR OPERATORS							
1. How advantageous is the role of tour operators in attracting tourists?	15	58	7	18	2	2.34	1.01
2. How advantageous is the role of tour operators in improving facilities?	8	43	19	28	2	2.72	1.03
3. How advantageous is the role of tour operators in influencing excursions and transportation?	3	39	20	32	6	2.98	1.04
4. How advantageous is the role of tour operators in determining prices?	4	22	14	53	7	3.37	1.04
II. IMPACT STATEMENTS							
5. How advantageous are the impacts of tourism on Greek Government's income?	58	39	1	1	***	1.48	.68
6. How advantageous are the impacts of tourism on the Cretan economy?	55	42	***	3		1.51	.67
7. How advantageous are the impacts of tourism on employment?	56	39	2	1	1	1.53	.66
8. How advantageous are the impacts of tourism on the region's economy?	52	45		3		1.55	.74
9. How advantageous are the impacts of tourism on your enterprise?	45	50	2	3		1.62	.67
10. How advantageous are the impacts of tourism on the social life?	5	47	22	21	5	2.75	1.02
11. How advantageous are the impacts of tourism on the environment?	4	24	28	34	10	3.22	1.03
III. DEVELOPMENT OPTIONS							
12. Authorities should encourage higher spending tourists	50	44	5	1		1.56	.62
13. Authorities should encourage tourists to visit Crete outside the main summer season	49	39	2	10		1.72	.91
14. Authorities should encourage greater numbers of tourists	13	53	9	22	3	2.49	1.08

* Percentages (rows) do not always total 100% due to rounding

** For statements 4,5,8,10, 11, and 25 the Likert Scale ranged from 1 (very advantageous) to 5 (very disadvantageous) and for the remainder from 1 (strongly agree) to 5 (strongly disagree)

*** Less than 1%.

Figure 9.4: Mean scores of owners/managers ratings



Regarding the statements dealing with the role of tour operators, the vast majority of responses were centralised between advantageous and disadvantageous, while only a small number of owners/managers reached the far ends of the scale. More positive opinions were expressed about the importance of tour operators in attracting foreign tourists to the island, with 73 percent of owners/managers finding them beneficial. This was not unexpected since, as Chapter Four suggested, in the Cretan tourism industry, tour operators have the main responsibility for the attraction of foreign tourists. Next, the role of tour operators in improving facilities was rated less positively with 51 percent of owners/managers finding them advantageous. Regarding the role of tour operators in influencing tourists' excursions and transportation choices, on average responses were very close to the middle of the scale with 42 percent of owners/managers finding them advantageous and 39 percent disadvantageous. The most negative responses were about the role of tour operators in determining prices, with 60 percent of owners/managers giving a score below the mid-point of three. This was not unexpected for the reason that foreign tour operators put fierce pressure on the island's enterprises to keep down prices for their own benefit. Therefore, enterprises, in their attempt to make a profit, have to reduce the costs of production by providing lower quality services. Owners/managers expressed

their dissatisfaction with the pricing policies of tour operators that reduce the profit margins of tourist enterprises and subsequently the quality of provided services.

For the items dealing with the impacts of tourism, responses were on average more positive, with 96 percent or more of owners/managers being positive about the impacts of tourism on their enterprise, on their region's economy, on the Cretan economy, on the creation of income for the Greek Government and on employment opportunities. As a result, since there is a consensus about the significance of these impacts, the standard deviations are at moderate levels. Next, responses about the impacts of tourism on social life were less positive, quite close to the middle of the scale, with 52 percent of owners/managers finding them advantageous. In addition, owners/managers expressed their concern over the environmental impacts of tourism, with 44 percent finding them negative and 28 percent neutral.

The last three statements dealt with the future aims of authorities regarding quantity, spending power and seasonal distribution of tourists. On average, owners/managers expressed their overall dissatisfaction towards the past directions of authorities that led to the attraction of low quality mass tourism and highly concentration of arrivals in time. In future, the vast majority of owners/managers agreed that local authorities should encourage higher spending tourists (94%) and visitation of the island outside the main summer season (88%). A smaller proportion (approximately two thirds) suggested that increasing the number of tourists could be beneficial for the local economy, showing that they are ready to accept greater numbers of tourists under the condition that these tourists will have higher spending power and there will be a lower concentration in time.

In order to identify if any of the three independent variables of the business survey (location, sector and size of AEs) played a significant role in explaining perceptions on the 14 items, ANOVA tests were used.

Size of accommodation establishment appears to play the most significant role in explaining attitudes, as it was a discriminator for most items (six in total). Owners/managers from small-sized AEs were the most negative about the role of tour operators in improving facilities (29% gave a score below the mid-point of three and 17% responded neutrally), although owners/managers from the large establishments were the most positive with slightly less than 90 percent finding them positive. The second distinction between owners/managers from different size AEs was with reference to the role of tour operators in determining prices. Again owners/managers from the larger establishments were the most positive (63% gave a score above the mid-point), compared to 73 percent of owners/managers from medium sized. Hoteliers from large establishments were the most favourable about the impacts of tourism on their enterprise, on the Cretan economy and on employment with 70 percent finding them very advantageous, although 60-70 percent of hoteliers from small and medium establishments found them advantageous. Next, 69 percent of hoteliers from medium-sized establishments found the impacts of tourism on their region's economy very advantageous and the remainder advantageous, although hoteliers from small establishments were less favourable with 63 percent finding them advantageous and 32 percent very advantageous.

Sector of owners/managers' enterprise was a discriminator for five of the 14 items. 52 percent of owners/managers from catering establishments (CEs) and 45 percent from tourist shops were negative about the role of tour operators in improving facilities, although 72 percent of owners/managers from AEs and 53 percent from travel agencies/car rentals (TA/CRs) were positive. With the role of tour operators in attracting tourists, hoteliers were again the most satisfied (94% gave a score above the mid-point), followed by 65 percent of tourist shops and 63 percent of TA/CRs owners/managers, although half of the restaurateurs/barkeepers were dissatisfied. With the role of tour operators in determining prices, the vast majority (77%) of tourist shops owners/managers were dissatisfied, followed by TA/CRs owners/managers (69%), although the proportion of dissatisfied hoteliers and CEs owners/managers was much lower (approximately 50%). With the role of tour operators in influencing excursions

and transportation choices, again hoteliers were the most satisfied (52% gave a score above the mid-point and 24% responded neutrally), although 64 percent of tourist shops owners/managers were dissatisfied. It can be summarised that owners/managers from enterprises that co-operate with tour operators and receive financial benefits from the co-operation were more positive on the items dealing with their role in the island's tourism industry. The last significant association found was for the impacts of tourism on employment, with three-quarters of owners/managers from TA/CRs and 58 percent of hoteliers finding them advantageous, although approximately half of owners/managers from tourist shops and 43 percent from CEs found them advantageous or very advantageous.

Enterprise location was not significant as an explanatory variable of perceptions except for the item dealing with the impacts of tourism on respondents' enterprise. All owners/managers from the least developed tourism area of Chania found the impacts of tourism on their enterprises to be advantageous and more specifically 60 percent very advantageous, although 59 percent of owners/managers from Heraklio responded positive and 12 percent negative. In the other two Prefectures, half of the owners/managers found them advantageous and almost all the remainder very advantageous.

In summary, owners/managers of large AEs favoured more the role of the tour operators in the island's tourism industry and the impacts of tourism on their enterprises. On the other hand, the ratings within different sectors were not so clear. Nevertheless, on average, owners/managers of AEs were the most satisfied with all aspects of the role of tour operators, although CEs keepers were the most dissatisfied with the role of tour operators in improving facilities and attracting tourists, and tourist shops owners/managers were the most dissatisfied with their role in determining prices and influencing excursions and transportation. Location was not a discriminator of owners/managers attitudes.

9.2.3 Local authority officials perceptions

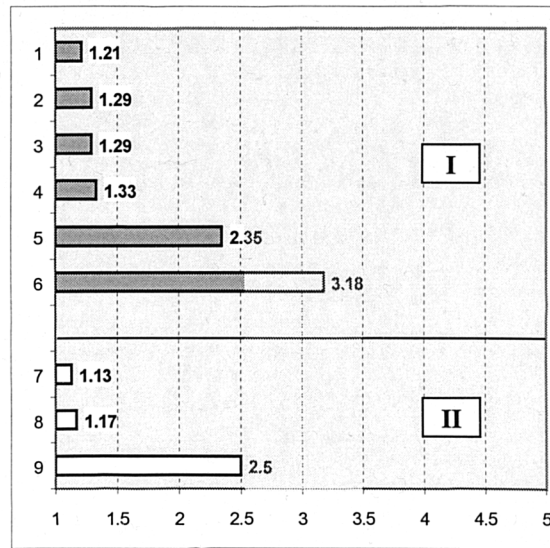
In order to provide an indication of the impacts of tourism in Crete, local authority officials were asked to indicate whether or not tourism had influenced various aspects of development, and to indicate the strength of their perceptions. Responses to these statements are summarised in Table 9.7 and Figure 9.5. Both Table and Figure are divided into two sections: sector I corresponding to tourism impacts and section II corresponding to development options. As shown in Figure 9.5, local authority officials tended to provide answers at the extreme end of the scale (advantageous side) and therefore there is only one statement in the corridor of uncertainty.

Table 9.7: Responses to tourism statements by local authorities' officers

	1*	2*	3*	4*	5*	Mean	Std. Deviation
	%	%	%	%	%		
I. IMPACT STATEMENTS							
1. How advantageous are the impacts of tourism on the Cretan economy?	79	21				1.21	.41
2. How advantageous are the impacts of tourism on enterprises?	71	29				1.29	.46
3. How advantageous are the impacts of tourism on Greek Government's income?	75	21	4			1.29	.55
4. How advantageous are the impacts of tourism on employment?	67	33				1.33	.48
5. How advantageous are the impacts of tourism on the social life?	9	56	26	9		2.35	.78
6. How advantageous are the impacts of tourism on the environment?	9	23	18	41	9	3.18	1.18
II. DEVELOPMENT OPTIONS							
7. Authorities should encourage higher spending tourists	88	12				1.13	.34
8. Authorities should encourage tourists to visit Crete outside the main summer season	83	17				1.17	.38
9. Authorities should encourage greater numbers of tourists	23	41	5	27	5	2.50	1.26

* Percentages (rows) do not always total 100% due to rounding
 For statements 1-6 the Likert Scale ranged from 1 (very advantageous) to 5 (very disadvantageous) and for the remainder from 1 (strongly agree) to 5 (strongly disagree).

Figure 9.5: Mean scores of local authority statements



Not surprisingly, all officials believed that tourism has positive impacts to the Cretan economy, enterprises and employment creation, and 96 percent on the Greek Government's income. As a result, the standard deviations for these four statements are very low compared to the ratings of the same statements by residents and owners/managers. Next, perceptions on the impacts of tourism on social life were less positive, although 56 percent of the officials gave a score above the mid-point. Responses about the impacts of tourism on the environment were the most negative, as well as more evenly distributed across the scale, with half of the officials having chosen the disadvantageous side, and 18 percent the middle of the scale. As a result the standard deviation for this variable is the largest among the six impact statements.

Officials were asked about the future options of the local authorities for the number, spending power and seasonal distribution of tourists. All officials supported the encouragement of higher spending tourists and the attraction of tourists outside the main summer season. Therefore, the standard deviations for these statements are very low. Concerning the possibility of an increase in the number of tourists, opinions were more evenly distributed, although 64 percent of officials agreed. As a result, the mean for this variable is closer to the middle of the scale compared to the other two.

The overall conclusions to be drawn from the ratings is that local authority officials perceive tourism as having positive impacts on the economy, government's income, and employment, as having somewhat lesser positive impacts on social life and the most negative (but still not very negative) on the environment. Besides, officials asked for the attraction of higher spending tourists and visitation of the island out of the summer season, although the support for an increase in the number of tourists was lower.

9.2.4 Differences in perceptions among the three study groups

To identify any differences of perceptions between the three study groups, ANOVA tests were used. The ANOVA comparisons revealed both similarities and differences among the three study groups. Table 9.8 delineates the ratings to the eight statements. Differences in ratings are illustrated diagrammatically in Figure 9.6, which is divided into two sections. Section I deals with the impact statements and section II with the development option statements. The ANOVA tests have shown significant associations only for two out of the eight statements.

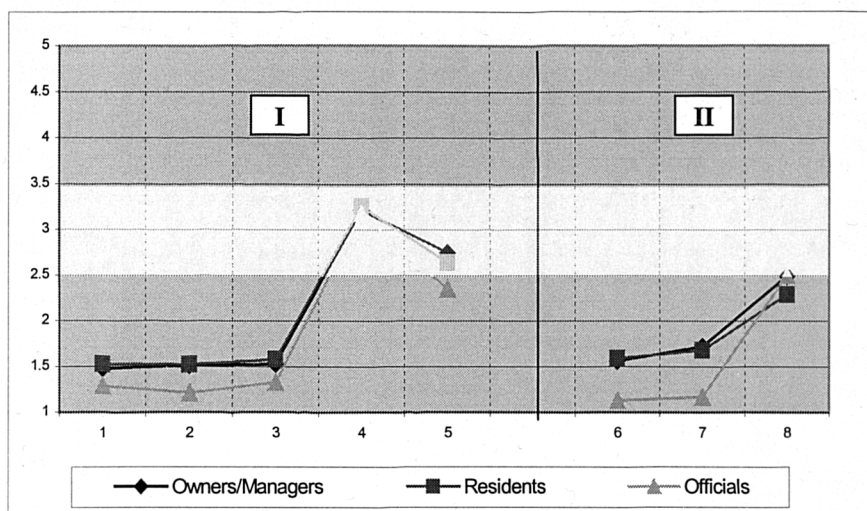
Table 9.8: Ratings of the study groups

	MEANS			F RATIO	df		SIG. ²
	O/M ¹	R ¹	LA ¹		BETWEEN GROUPS	WITHIN GROUPS	
I. IMPACT STATEMENTS							
1. How advantageous are the impacts of tourism on Greek Government's income?	1.48	1.53	1.29	1.679	2	358	.188
2. How advantageous are the impacts of tourism on the Cretan economy?	1.51	1.52	1.21	2.898	2	356	.056
3. How advantageous are the impacts of tourism on employment?	1.53	1.58	1.33	1.404	2	360	.247
4. How advantageous are the impacts of tourism on the environment?	3.22	3.26	3.18	.106	2	349	.900
5. How advantageous are the impacts of tourism on the social life?	2.75	2.64	2.35	.1742	2	357	.177
II. DEVELOPMENT OPTIONS							
6. Authorities should encourage higher spending tourists	1.56	1.59	1.13	5.312	2	354	.005
7. Authorities should encourage tourists to visit Crete outside the main summer season	1.72	1.68	1.17	4.510	2	357	.012
8. Authorities should encourage greater numbers of tourists	2.49	2.29	2.50	1.347	2	350	.261

¹ O/M = Owners/Managers, R = Residents, LA = Local authorities officials

² The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure 9.6: Mean scores of the study groups



For the impact statements, ANOVA tests did not reveal any significant differences between the ratings of the three groups. For the statements suggesting the authorities to encourage tourist visitation outside the main summer season and the encouragement of higher spending tourists, differences were found between local authorities officials and the other two groups with 83 percent of the officials strongly agreeing and the remainder agreeing that the “authorities should encourage tourists to visit Crete outside the main summer season”, although the percentages for the other two groups strongly agreeing were approximately 50 percent and agreeing 40 percent. Similarly, for the attraction of higher spending tourists 88 percent of officials strongly agreed and the remainder agreed, although the percentages for the other two groups were approximately 50 percent and 40 percent respectively.

In summary, the mean scores of the three study groups were very close, indicating a consensus of their ratings. For the impact statements there were no significant differences. For the statements dealing with the development options, officials favoured more strongly the attraction of higher spending tourists and the encouragement of tourists to visit the island outside the main summer season, although these differences lie mostly in the strength of agreement and therefore they may be somewhat meaningless.

9.3 RESIDENTS' PERCEPTIONS ON THE ACTIONS OF THE PUBLIC SECTOR

Ryan and Montgomery (1994) identified as a limitation of their study of residents' attitudes the lack of questions "about attitudes in general to the local authority", hence they suggested that "it is not known to what extent the authorities are seen as being generally deficient. The distinction is important. A well-regarded authority with a defect as to its tourism policies can be in a better position than one that is generally seen as poor" (p.367). Therefore, they proposed "future research to take into account general attitudes towards authorities before seeking to elicit attitudes to specific components of planning action" (p.367).

Bearing this in mind, this research extends the current literature by examining not only resident attitudes towards tourism impacts, but also by determining whether or not residents felt that tourism receives enough support for development from public bodies. It subsequently attempted to determine ways in which support was achieved or why it was not. In Crete three tiers of government can be identified that play a major role in tourism development: local authorities, Hellenic National Tourism Organisation (HNTO) and the Greek Government. Therefore, residents were asked to express their opinion on the role of these three bodies in tourism development.

First, residents were asked to indicate whether or not local authorities were doing enough to encourage tourism development. More than half expressed satisfaction with the islands local authorities, although 35 percent felt that not enough is being done and some 13 percent were unable to express an opinion (Table 9.9). Of the seven independent variables and the clusters², only city of residence was significantly associated with the contribution of the local authorities to tourism development. 67 percent of Agios Nikolaos residents were satisfied, although the percentage was much lower (40%) for Heraklio residents (Cramer's $V = .192$). On the other hand, Rethymno had the highest share of residents unable to express

² From now on the three clusters will be considered as an additional independent variable, making the total number of independent variables eight.

an opinion (24%). It can be considered that according to resident opinions, authorities in some areas of the island are more efficient than others.

Table 9.9: Contribution of local authorities to tourism development

	Yes %	No %	Don't know %
City:			
Heraklio	40	49	11
Chania	54	36	10
Rethymno	50	26	24
Agios Nikolaos	67	25	8
Total survey (N = 194)	52	35	13

As shown in Table 9.10, the percentage of residents satisfied with the actions of the HNTD was quite high (50%), although the percentage of those dissatisfied was lower (26%). Again only one weak significant association (Cramer's $V = .188$) was found with city of residence. Citizens of Rethymno were the most satisfied (60%) followed by Agios Nikolaos (54%) and Heraklio citizens (51%), although only 36 percent of Chania citizens were satisfied and an additional 34 percent undecided.

Table 9.10: Contribution of the HNTD to tourism development

	Yes %	No %	Don't know %
City:			
Heraklio	51	31	18
Chania	36	30	34
Rethymno	60	12	28
Agios Nikolaos	54	33	13
Total survey (N = 194)	50	26	24

Regarding the contribution of the Greek Government to tourism development, the proportion of those satisfied was 37% and those unable to express an opinion 26 percent. It is evident that frequently residents were not aware of the actions of key public bodies to tourism development, which suggests that more work is needed by the public sector bodies to inform residents of their achievements in tourism development. Moreover, some local authorities, HNTD and governmental bodies contributed more to the tourism development of some areas or were more

successful in informing residents of their achievements towards tourism development.

Among the eight independent variables, three significant associations with residents' perception of the contribution of government to tourism development were found (Table 9.11). These included:

- City (Cramer's $V = .230$). 14 percent of Rethymno citizens were dissatisfied with the contribution of the Greek Government to tourism development, although the proportions of dissatisfied residents from Agios Nikolaos, Heraklio and Chania were much higher (approximately 45%). On average, Agios Nikolaos citizens expressed the highest satisfaction with the contribution of their local authorities to tourism development, Rethymno with the contribution of the HNTD and Rethymno and Chania with the contribution of government. Tsartas et al. (1995) asked Lassithi residents about the role of government in tourism development and found that only 15 percent of residents were dissatisfied. The higher dissatisfaction of Lassithi residents found in this study may be attributed to the fact that when the survey was undertaken the government was proposing a new law where many districts were to be merged in a municipality. This law caused dissent to some residents that blocked the main road that connects the city Agios Nikolaos with the rest of the island. As a result, the only way to go to Agios Nikolaos was by bus. However, for example, for the transfer of tourists from the airport to their hotel, the bus had to stop where the road was blocked and tourists had to walk carrying their luggage for approximately 500 meters in order to get a bus from the other side of the road. As a result, this situation might have influenced negatively the responses of Agios Nikolaos citizens towards the role of government to tourism development.
- Age (Cramer's $V = .164$). 47 percent of older residents were satisfied with the actions of government, 44 percent of the middle-aged were dissatisfied and 34 percent of the young adults were undecided;
- Income (Cramer's $V = .173$). High-income residents were the most dissatisfied (42%) and a lower percentage were undecided (18%), although the

percentages of those dissatisfied and undecided in the low income group were both 33 percent.

Table 9.11: Contribution of government to tourism development

	Yes %	No %	Don't know %
<i>City:</i>			
Heraklio	33	47	20
Chania	42	44	14
Rethymno	46	14	40
Agios Nikolaos	26	44	31
<i>Age:</i>			
Young-aged	36	30	34
Medium-aged	28	44	28
Old-aged	47	40	13
<i>Income:</i>			
Low-income	34	33	33
High-income	41	42	18
Total survey	37	37	26

Residents were next asked to indicate the extent to which the public bodies contribute to tourism growth. Since this was significantly associated with the perceptions of residents among the four cities, crosstabulations were produced to identify the different opinions of the four city residents with the role of public sector bodies.

According to Bacon and Pelley (1993), the local authorities "occupy a complex, central role at the heart of the tourism industry. They act as a catalyst for action by others" (p.A5). Vaughan et al. (1999, p.118) identified the following three roles of local authorities in the local tourism industry: by being the key co-ordinating body for the strategic planning of the local tourism industry; by owning, operating and promoting their own tourist resources and infrastructure; and by promoting their local area as a destination and, by implication, the private sector tourism products and services.

Responses to the way that local authorities contribute to the tourism development of the island are summarised in Table 9.12. As can be seen, residents believed that local authorities have taken actions, such as the provision of infrastructure, e.g. pedestrianisation, roads, water supply and sewage network, suggested more

frequently by the citizens of Heraklio (63% of responses), although the percentages of the other three cities were lower (approximately 50%). Rethymno and Chania citizens reported that their authorities play a significant role in tourism development through advertisement/promotion (approximately 30% of responses). It was suggested that local authorities contribute to tourism development by participating in exhibitions abroad and producing and distributing promotional material. Additionally, it was mentioned that local authorities contribute to tourism development through aesthetics/environmental protection, e.g. green areas and parks and construction of biological systems to purify the liquid sewage thrown in the sea, suggested more by the citizens of Agios Nikolaos (28%). Moreover, other actions were mentioned attracting on average the support of less than 10 percent of responses. Among them it should be noted that Chania citizens claimed that their city's local authorities contribute to tourism development through the provision of services (19%), which was mentioned only by a very small number of residents in the other cities. Services mentioned included: refuse collection and disposal, litter control, public conveniences, general environmental services (food hygiene, condition of shops, air/noise control), street cleaning, markets and fairs. Additionally, 14 percent of Rethymno residents mentioned that their local authorities are responsible for programming and planning activities of other public and private bodies.

Table 9.12: Ways that the local authorities contribute to tourism development

	Heraklio %	Chania %	Rethymno %	Agios Nikolaos %	Total %
Provision of infrastructure	63	52	50	52	54
Advertisement/Promotion	16	29	32	20	24
Aesthetics/Environmental	12	14	10	28	17
Programmes/Plans	9	10	14	8	11
Provision of services	7	19	4	4	8
Other	8	5	9	4	6
Total responses (N=90)	115	129	119	116	120

Notes: Responses do not add up to 100%, due to multiple answers

In summary all the ways suggested by Vaughan et al. (1999), in which local authorities play a role in tourism development, were mentioned by the residents of the four cities, although with different priorities. In detail, the first priority mentioned was infrastructural provision and the second promotion/advertisement.

Co-ordination of bodies in the strategic planning of the areas was also suggested, but only by a minority of residents, indicating that this way has not attracted the attention of the authorities in the extent that it should.

Concerning the reasons why local authorities do not contribute to tourism development, residents mostly from Agios Nikolaos (55%) and Chania (44% of responses) declared that their local authorities are irresponsible and do not pay enough attention to tourism matters (Table 9.13). In addition, citizens from Heraklio and Rethymno (41% and 31% respectively) reported that their local authorities do not provide sufficient infrastructure, something that was supported only by five percent of Agios Nikolaos and 11 percent of Chania citizens, indicating that authorities of these two cities are more efficient in infrastructural construction than the other two cities. There is a case, mainly in the cities of Heraklio and Rethymno, where many citizens believed that their local authorities play a major role in tourism development through provision of infrastructure, although a significant number of residents in the same cities had exactly the opposite opinion. One explanation for this may be that residents supporting the political party that the authority belongs to, may be posed more favourable compared to residents supporting an opposition party. This subject needs further research.

Several interviewees (14% of total responses) highlighted organisational difficulties, as well as delays in the local authorities undertaking specific planning actions. Chania citizens (22% of responses) complained that their authority did not promote the location sufficiently and called for further promotion to attract more and better quality tourists. This is interrelated with the literature where the Prefecture of Chania had the lowest indexes of development, e.g. number of beds etc, compared to the other three Prefectures. There was also a variety of other reasons, e.g. Heraklio citizens (15% of responses) criticised their local authorities for insufficient investments in tourism development and Chania citizens (17% of responses) for insufficient provision of services, but these reasons were less mentioned than the four reasons cited above.

Table 9.13: Reasons that the local authorities do not contribute to tourism development

	Heraklio %	Chania %	Rethymno %	Agios Nikolaos %	Total %
Do not care/Irresponsible	22	44	31	55	35
Insufficient provision of infrastructure	41	11	31	5	26
Lack of planning/organisation	19	11	15	9	14
Insufficient promotion	4	22	4	5	10
Do not invest in tourism	15	6	4	9	9
Insufficient provision of services	4	17	3	5	7
Other	4	6	12	12	9
Total responses (N=70)	109	117	100	100	110

Note: Responses do not add up to 100%, due to multiple answers.

When residents were asked about how effective the HNTD was in tourism development, there was strong opinion that the HNTD contributes to the advertisement/promotion of their island, as the majority of Heraklio citizens (72% of responses) and Chania and Rethymno citizens (approximately 65%) indicated (Table 9.14). The ways that the HNTD contributes to promotion included participation in exhibitions and the use of printed media, e.g. brochures, newspapers and magazines. It was suggested that the HNTD undertakes international promotion, participates in exhibitions, and runs overseas offices that provide information to tourists. Secondly, Chania and Agios Nikolaos residents (approximately one quarter of responses from both cities) mentioned that the HNTD contribution to tourism development is achieved through the inspection and/or licensing of various types of tourist-related operations, e.g. grading and licensing of hotels, compulsory registration of rented rooms and regulating and licensing of travel agencies, although the support for this by Heraklio and Rethymno citizens was much lower (approximately 8% of responses). Thirdly, it was reported that the HNTD has responsibility for the provision of development incentives, giving opportunities for the establishment of new enterprises and modernisation of existing ones, as Chania citizens (22% of responses) suggested. For example, it was reported that the HNTD is involved in the development and execution of loan schemes, for construction of AEs and other types of facilities. Very often this is achieved by working as an agent for European Community (EC) grants and soft loans. In addition, a minority of residents suggested that the HNTD becomes involved in cultural activities and festivals, the physical planning

of tourism development and environmental protection, and advising on environmental conservation.

Table 9.14: Ways that the HNT0 contributes to tourism development

	Heraklio %	Chania %	Rethymno %	Agios Nikolaos %	Total %
Advertisement/promotion	72	68	63	50	64
License/Control of tourist enterprises	8	23	7	25	17
Incentives	8	13	22	6	13
Culture/Festivals	12	0	6	12	7
Environmental protection	4	3	4	5	3
Other	8	13	8	14	10
Total responses (N = 88)	112	120	110	112	114

Note: Responses do not add up to 100%, due to multiple answers.

Although Middleton (1985) indicates that the role of National Tourism Organisations (NTOs) is mainly to facilitate the physical development of major infrastructural programmes, this is not the case in Crete, according to resident opinions. Residents of the four cities see the major role played by their HNT0 in tourism development as one of promotion/advertisement. It is important to note that residents did not pay significant consideration to the role of the HNT0 as an educator and vocational trainer of tourist professionals, despite the fact that the HNT0 operates hotel and tourist guides schools on the island and organises seminars related to tourism.

Common complaints about the insufficient contribution of the HNT0 to tourism development were expressed. A number of residents identified as a major problem bureaucratic and organisational difficulties (ranging from 25% to 36% in the four cities). Although this sounds very simple, delays have emerged in a plan's implementation and the original intention of tourism policy and promotional activities has been distorted, as many Rethymno citizens (50%) declared. Specifically, one resident stated:

Since the HNT0 General Secretary changes at least once a year there is no stable tourism policy... It is difficult for somebody to comply with changes in tourism policy made whenever the General Secretary, a government or a minister changes.

HNTO was also criticised for irresponsibility and/or negligence (Table 9.15), reported mostly by Chania citizens (43% of responses), who complained that a huge coastal area in Agii Apostoli owned by the HNTO has been left unexploited, although it could be developed, e.g. as an organised beach, park, area for recreational activities etc. Finally, Agios Nikolaos citizens (17% of responses) blamed the HNTO for insufficient control of tourism enterprises, something that was not even mentioned by citizens from Heraklio and Rethymno. It may be that because in this city there is a high concentration on tourism enterprises the problem is more visible, compared to the other cities.

Table 9.15: Reasons that the HNTO does not contribute to tourism development

	Heraklio %	Chania %	Rethymno %	Agios Nikolaos %	Total %
Bureaucracy/Unorganised	25	36	25	33	30
Wrong tourist policy/promotion	31	14	50	25	26
Irresponsibility/Negligence	19	43	10	25	26
Insufficient control of tourism enterprises	0	7	0	17	7
Insufficient provision of services	6	7	0	8	7
Other	19	11	15	10	13
Total responses (N = 46)	100	118	100	118	109

Note: Responses do not add up to 100%, due to multiple answers.

Table 9.16 reveals a substantial degree of variability in the ways that government contributes to tourism development among the four cities. Agios Nikolaos citizens (86% of responses) suggested that the government provides financial help/incentives, although the percentage was much lower for Chania citizens (51% of responses). This was not unexpected since the city of Agios Nikolaos has been treated as a top priority area for the expansion of the tourism industry by most Greek Governments (Tsartas et al., 1995), although in Chania the expansion of the tourism industry has attracted less attention. Additionally, a number of interviewees (40% of Heraklio citizens' responses) mentioned that the government provides infrastructure, something that was suggested only by a small share of Rethymno citizens (5% of responses). As a result, Rethymno citizens consider their local authorities more efficient than the government in the promotion of infrastructure. 15 percent of the total sample stated that the

government has responsibility for advertisement/promotion. A number of other roles were reported, each of which attracted on average the support of less than 10 percent of responses.

Table 9.16: Ways that the government contributes to tourism development

	Heraklio %	Chania %	Rethymno %	Agios Nikolaos %	Total %
Incentives/Financial	67	51	62	86	64
Provision of infrastructure	40	21	5	14	19
Advertisement/Promotion	7	16	19	14	15
Other	10	12	14	15	12
Total responses (N =62)	124	100	104	129	110

Note: Responses do not add up to 100%, due to multiple answers.

As Table 9.17 indicates, a range of government shortcomings was identified. First, residents felt that the government could be more supportive in tourism initiatives, and that currently it is more interested in issues other than tourism. Therefore, there was particular criticism of the government's negligence and/or irresponsibility in tourism matters, suggested more frequently by Chania and Rethymno citizens (50% and 40% respectively), although the percentages were lower for Heraklio and Agios Nikolaos citizens (22% and 19% respectively). This may be attributed to the fact that the government has paid higher attention to the tourism industry in these two areas, as the secondary data suggested. There was also a strong criticism of high taxation and/or insufficient funding suggested more frequently by Heraklio and Agios Nikolaos citizens (39% and 31% respectively). As mentioned, the rates of taxation set by the government are unfair. Financial support for enterprises is rare and even when it exists, it tends to be modest and fickle. Organisational difficulties were reported that very often result in wrong and unstable tourism policy (as 30% of responses recorded by Heraklio citizens suggest). As one resident stated:

All governments experiment with tourism. One government places significance on tourism by establishing a ministry, the next government abolishes this ministry and the third incorporates tourism as a sector within others in a 'hyper-ministry'.

As a result, every new government reviews, and most often changes, the strategies, investment incentives, legislation and staffing of the previous

government, affecting the overall tourism policy of the island. Finally, government was blamed for failing to invest adequately in tourism infrastructure and providing too little grant aid for new tourism projects, something that was suggested more frequently by Rethymno citizens (40%).

Table 9.17: Reasons that the government does not contribute to tourism development

	Heraklio %	Chania %	Rethymno %	Agios Nikolaos %	Total %
Do not care/Irresponsible	22	50	40	19	30
High taxation/Lack of funding	39	12	20	31	28
Unorganised/Wrong or unstable tourism policy	30	19	0	19	22
Insufficient provision of infrastructure	13	19	40	22	19
Other	9	0	0	9	6
Total responses (N = 63)	113	100	100	100	105

Note: Responses do not add up to 100%, due to multiple answers.

Overall, although some residents recognised the significant role of the public sector in tourism development, mainly in promotion, provision of infrastructure and financial help for the tourism industry, other residents blamed the public sector for irresponsibility, lack of organisation, bureaucracy, misguided tourism policy, as well as insufficient provision of infrastructure. As a result, residents' opinions were mixed, unclear and difficult to interpret, with some residents recognising the contribution of some public sector bodies to tourism development and others criticising them for various deficiencies. It may be the case that residents' opinions may have been influenced by their political preferences and if the party they support has taken power in the municipal or the state elections. One deficiency of this question was the failure to ask respondents about the role of EC in tourism development. Since in the literature it was evident that the EC plays a major role in the tourism development of the island, mainly through financing of various projects, a question like this could give an insight into local perceptions of the EC role.

9.4 PROMOTION OF TOURISM IN CRETE

The promotion of a tourist destination is one of the most important elements of the marketing mix. Thus, the local authorities and the business survey asked interviewees to express their opinions on changes or improvements in the way that the island is promoted.

Table 9.18 delineates the proposals of owners/managers for changes in the promotion of tourism by local authorities. According to owners/managers, Crete is not promoted sufficiently abroad and therefore they called for more and better promotion (66%). In particular, owners/managers expressed the opinion that most promotional activities undertaken are ineffective. Apparently if the public sector wants to enhance the island's competitive position and exploit new opportunities, promotion should be used as a vehicle for enhancing the island's image. Consequently, owners/managers suggested that the local authorities should make more effort in the promotion of the island abroad (by the use of printed media, brochures newspapers, magazines and the Internet), and by bringing promotional material right into peoples homes and workplaces through electronic media, such as television, the Internet and videos. It was also proposed that the local authorities should participate more and better in tourist exhibitions abroad. There was criticism that authorities adopt a do-it-yourself attitude to the production of advertising and promotional copy. For example, one hotelier stated:

Some years ago my municipality wanted to produce an English tourist guide. I proposed somebody fluent in English and with the necessary skills to produce effective material. This person asked half a million Greek Drachma in payment. The municipality found this too expensive and found another person who produced the guide more cheaply. The result was that the guide was badly-written, obtruse, and ineffective.

From the above statement it is evident that often resources are wasted on ineffective advertising and promotion of tourism is assigned to unqualified persons.

Table 9.18: Owners'/managers' opinions on changes/improvements in the promotion of Crete by the local authorities

	No of Respondents	%
More and better promotion	21	66
More and better participation in exhibitions	11	34
Total survey	32	100

Officials suggested various ways to improve the promotion of the island. Since the local authorities were more involved in the promotion of the industry and have obtained expertise, tended to make more specific suggestions, compared to owners/managers. Five out of 10 officials reported deficiencies in the local offices and suggested that the local authorities should become more organised in order to better promote the island (Table 9.19). To achieve this, they asked for more funding and more and better educated and trained staff. Other recommendations included a change in promotional strategy towards a promotion of local products and Cretan diet, as well as tradition, culture and the environment. There were certain historical, cultural and natural attractions, e.g. Preveli, Vai, Samaria gorge, and villages in the mainland, which they felt did not receive the promotional attention they deserve.

Table 9.19: Officials' opinions on changes/improvements in the promotion of Crete by the local authorities

	No of Respondents
Organisation of the local offices	5
Promotion of local products/Cretan diet	3
Promotion of the tradition/culture/nature	2
Total	10

HNTD is the main public body responsible for the promotion of Greek tourism. However, the vast majority of owners/managers believed that its role as a promoter has not been fulfilled. They expressed high dissatisfaction with the HNTD promotional activities and proposed that the HNTD should better promote the island (56% of responses), and should have better and more participation in exhibitions abroad (28% of responses), with increased promotional budget and better trained staff. Some owners/managers suggested that the HNTD should promote several aspects of Cretan life, history and culture (15% of responses),

because they include the competitive advantages of the island. In addition, the HNTTO should promote Crete independently from any other Greek region (10% of responses), because of the dissimilarity of resources that Crete has compared to the rest Greece (Table 9.20). There were also complaints about the amount of red tape owners/managers have to overcome when they have to deal with the HNTTO and its slow-moving nature. Therefore, they asked the HNTTO to become less bureaucratic. In addition, owners/managers said that in order to attract more foreign markets, the establishment of more tourist offices abroad should take place, mainly in countries where there is no Greek tourist office.

Table 9.20: Owners'/managers' opinions on changes/improvements in the promotion of Crete by the HNTTO

	No of Responses	%
More and better promotion	31	56
More and better participation in exhibitions	15	28
Promotion of culture/life style/history	8	15
Promote Crete independently from the rest Greece	5	10
Establishment of tourism offices abroad	2	3
Less bureaucratic	2	3
Total survey (N = 56).	63	115

Note: responses do not add up to 100%, due to multiple answers.

Although the HNTTO is the most important governmental body for the promotion of tourism abroad, surprisingly not many recommendations were made by officials. Even when suggestions were made, they were different from those made by owners/managers. Specifically, three out of six officials suggested that the HNTTO should better organise the tourist offices abroad, mentioning again the need for more funding and staff in the HNTTO overseas offices, since their number of staff is limited compared to the number of the HNTTO staff in the central office in Athens. Additionally, it was suggested that the HNTTO should improve its management/organisation, as well as co-operating better with the private sector towards successful promotional campaigns (Table 9.21).

Table 9.21: Officials' opinions on changes/improvements in the promotion of Crete by the HNTO

	No of Respondents
Organisation of the offices abroad	3
Better management/organisation	2
Co-operation with the private sector	1
Total	6

The vast majority of owners/managers did not mention any actions to be undertaken by the government towards the promotion of the island, since they believed that the HNTO and local authorities should be more involved in tourism promotion. However, a small proportion of owners/managers suggested that the government should promote more and better the island and increase its budget for promotional activities (Table 9.22). The government was blamed for not providing enough funding for the HNTO and local authorities to allow them to sufficiently promote the island overseas. Moreover, there was a call for the government to be less bureaucratic and to introduce better co-ordination and collaboration with the public and private sector.

Table 9.22: Owners'/managers' opinions on changes/improvements in the promotion of Crete by the government

	No of Respondents	%
More and better promotion	12	60
More funding for promotion	5	25
Other	3	15
Total survey	20	100

Concerning officials' opinions on the promotion of Cretan tourism by the government, three out of seven suggested that the government has allocated insufficient money for the tourism development of the island (Table 9.23). Other actions recommended having attracted the support of one official each, included: promotion of alternative forms of tourism through the development of bicycle tours, bird-watching, horse riding, farm stays, and guided walking tours, the establishment of a company for the promotion of Cretan tourism, support of local authorities' promotional budget and more and better co-operation with the private sector.

Table 9.23: Officials' opinions on changes/improvements in the promotion of Crete by the government

	No of Respondents
More funding	3
Promotion of alternatives forms of tourism	1
Establishment of a company for promotion/advertisement of Cretan tourism	1
Support of the promotional budget of the local authorities	1
Co-operation with the private sector	1
Total	7

Owners/managers mentioned a lot of changes/improvements to be made by all public sector bodies. They suggested that all the bodies of the public sector should collaborate in order to promote the island more and better (35%). One salient feature was the call for co-ordination, as well as higher professionalism of all involved in tourism promotion (33%). Criticism was mainly concentrated on the fact that the task of promoting and marketing of the island has been given to staff with limited qualifications, experience or training. Additionally, owners/managers asked for promotion of Crete independently from other Greek regions (15%) (Table 9.24). A number of other actions to be taken by all bodies involved in tourism promotion attracted the support of a small number of owners/managers, including an increase in the public sector's promotional budget and a desire to change the image of Crete from a cheap destination and enhance it by promoting Crete as a destination that has many attractions and facilities to offer to the middle- and high-income market.

Table 9.24: Owners'/managers' opinions on changes/improvements in the promotion of Crete by all public bodies involved in tourism

	No of Respondents	%
More and better promotion	14	35
Better co-ordination/professionalism in promotion	13	33
Promote Crete independently	6	15
More funding	3	7
Change image of mass tourism destination	3	7
Participation in exhibitions	1	2
Total survey	40	100

Officials asked for changes to be made in the promotion of the island by all the bodies involved in tourism development, similar to the responses of

owners/managers (Table 9.25). Specifically their first two proposals were the same as owners'/managers'. Six officials indicated that much promotional activity appears to lack co-ordination and clear objectives, and therefore, often, confusing messages reach the consumers. A further six indicated that the island needs more and better promotion abroad, through the use of printed and electronic media, such as television, video, newspapers, magazines, and the Internet, as well as better participation in exhibitions. A smaller proportion of officials mentioned the need for a change in the promotional activities towards the promotion of nature, alternative forms of tourism, Cretan tradition and way of life. One official stated that although the public sector and trade associations often produce expensive brochures, their value is diminished by poor distribution. Besides, one official argued that apart from the public sector, the private sector should also provide more and better advertisement, since it receives the most financial benefits from tourism business.

Table 9.25: Officials' opinions on changes/improvements in the promotion of Crete by all public sector's bodies

	No of Respondents	%
More and better promotion	6	32
Co-ordination/co-operation	6	32
Promotion of nature/Alternative forms of tourism	3	16
Promotion of the tradition/Way of life	3	16
Distributional difficulties	1	5
Total	19	100

In summary, the promotion of the island by the public sector is believed to suffer from lack of co-operation and co-ordination. Therefore, there were calls for co-operation of all public bodies towards more and better promotion, an increase of promotional budgets and a move of promotional activities towards culture, tradition and attraction of alternative forms of tourism.

9.5 SUPPORT AND ACTIONS FOR FURTHER TOURISM DEVELOPMENT

The Community's acceptance of tourism development is considered important to the industry's long-term success since; if tourists are met with hostility, their

numbers will decline (Madrigal, 1995; Dogart and Dogart, 1996). Therefore, this section reviews residents' and owners'/managers' support for additional tourism development and specific development directions to be followed. Indeed, respondents were in favour of development, since 80 percent of residents and 87 percent of owners/managers suggested further tourism development. Cramer's V did not identify significant difference for the support of additional tourism development between the two groups.

However, there were some but not many differences between the support of further development within different groups (Table 9.26):

- Clusters (Cramer's $V = .192$). Not surprisingly a high proportion (89%) of 'Advocates' would like to see further development, although the percentages were lower for the 'Economic Sceptics' (82%), and the lowest for 'SEC' (73%).
- Sectors (Cramer's $V = .241$). Approximately 96 percent of owners/managers from CEs and TA/CRs were disposed toward further tourism development, although the proportions were lower (approximately 80%) for the other two sectors.

Table 9.26: Desirability of further tourism development

	Yes %	No %
<u>Clusters:</u>		
'Advocates'	89	11
'Economic Sceptics'	82	18
'SEC'	73	27
Total of clusters (N = 166)	81	19
<u>Sectors:</u>		
Accommodation	81	19
TA/CRs	97	3
Catering	96	4
Tourist shops	79	21
Total business survey (N = 146)	87	13

An assessment of residents and owners/managers general preferences for future tourism development regarding type of tourists, facilities and actions was made. Table 9.27 shows the types of tourists considered beneficial for the tourism

development of the island. The figures contained in Table 9.27 (as well as in Tables 9.28 and 9.30) pertain only to those owners/managers and residents who supported further development. Although residents and owners/managers supported further development, they expressed their concern at the low expenditure profile of the tourists currently visiting the island. Thus, an increase in such tourists would not be greatly appreciated, but preference should be given to the attraction of better quality/higher spending tourists, as owners/managers (71% of responses) and residents (57% of responses) suggested. Additionally, there was a call for expansion of the tourism season, with 14 percent of residents and 11 percent of owners/managers suggesting the promotion of winter tourism. Next, there was dissatisfaction with the existing mass type of tourism attracted to the island and therefore residents and owners/managers (10% of responses for both) asked for the development of alternative or environmental-friendly forms of tourism. Some residents (11% of responses) and owners/managers (14%) did not have any preference, but suggested that all kinds of tourism are welcomed and beneficial for the island. Other types of tourism mentioned by a minority of respondents included: conference/incentive tourism, cultural tourism, agro-tourism, mountaineer, adventure, religious, athletic and domestic tourism.

Table 9.27: Types of tourists beneficial for Crete

	Residents (N = 149) %	Business (N = 125) %
Better quality/Higher spending	57	71
Winter	14	11
All types	11	14
Alternative/environmental	10	10
Conference/incentive	3	7
Cultural	4	6
Other	8	13
Total survey	107	131

Note: responses do not add up to 100%, due to multiple answers.

In summary, there were not many differences among the two community groups for the type of tourists they considered beneficial for the island, although the demand for better quality/higher spending tourists was higher for owners/managers. Apparently people that work in the tourism industry are more aware of the quality/spending power of existing tourists.

Respondents considered the creation of more tourist facilities essential for the further tourism development of the island. The most significant reply, attracting the support of 57 percent of owners/managers and 26 percent of residents, was the need for the creation of more outdoor and indoor sport/leisure/recreation facilities, especially for the attraction of high- and medium-class tourists (Table 9.28). Facilities mostly mentioned were golf courses, athletic centres, water and marine parks, leisure complexes and casinos. Other facilities included the creation of more and better quality lodging and entertainment enterprises (25% of residents and 20% of owners/managers responses), such as better quality AEs, bar, discos and night-clubs. Other respondents preferred the establishment of small size enterprises for the reason that they create higher linkages with the local economy (approximately 14% of responses from both groups). There was also a call from both owners/managers and residents (22% of responses) for environmentally-friendly facilities, such as parks, facilities for alternative forms of tourism, bird watching and eco-tourism activities. A minority of respondents mentioned other types of facilities, such as conference centres and traditional/cultural facilities (e.g. theatres, art/exhibition centers and halls for festivals, music and folklore dance performances). A small number of respondents, although they accepted further development, did not desire additional facilities but called for the improvement of existing ones, suggesting that additional facilities could give rise to environmental problems, with immediate adverse consequences.

Table 9.28: Types of tourism facilities beneficial for Crete

	Residents (N = 124) %	Business (N = 108) %
More outdoor and indoor sport/leisure/recreation facilities	26	57
Better quality/sufficient number of tourism enterprises	25	20
Infrastructural / Environmental	22	22
Small enterprises	13	15
Traditional/cultural	8	9
None/ Modernisation of existing	6	5
Conference facilities	4	3
Other	9	1
Total survey	113	135

Note: responses do not add up to 100%, due to multiple answers.

In summary, both owners/managers and residents called for the diversification of the tourism product through the provision of more outdoor and indoor sport/leisure/recreation facilities, better quality enterprises, traditional, cultural, as well as facilities with respect to the environment. Not many differences were evident within the two community groups with the exception that the demand for outdoor and indoor sport/leisure/recreation facilities was more than double for owners/managers compared to residents. Again it may be the case that the representatives of the tourism industry may be more aware of the deficiencies of the island's tourism product.

Local authorities' officials were also asked to express their opinions about the needs of the island for additional or improvement of existing facilities and to specify which body of the public sector should be involved in the construction and/or improvement of these facilities. However, officials did not have a clear mind of which body should be responsible, because as they mentioned everybody should work towards the improvement of the islands tourism industry. Therefore, no allocation of responsibilities was made.

As Table 9.29 shows, the vast majority of officials (19 out of 25) suggested that the island needs more infrastructural facilities, such as marinas, airports, roads and car parks. 15 officials suggested the improvement of existing facilities with the main criticism focused on water and electricity supply, drainage, telecommunications, ports, airports, road networks and the need for improved local public transport system with more bus services during the tourist season, and better co-ordination of public transport. 10 officials declared the need for more and varied outdoor and indoor sport/leisure/recreation facilities to attract tourists, mainly in the off-season period. Facilities suggested included: casinos, golf courses, mountain trails, mountain and fishing shelters, sport centres and facilities for winter sports. 10 officials expressed the need for facilities that will respect, enhance and protect the natural physical resources, e.g. trails and signing of national parks and biological cleaning of seas. Additionally, recommendations attracting the support of four or less officials included: reclamation and restoration of archaeological sites, traditional buildings and villages, establishment of more

museums, construction of conference centres and creation of facilities for alternative forms of tourism.

Table 9.29: Additional facilities or improvements of existing proposed by officials

	No of Responses	%
Infrastructure	19	76
Improvement of existing	15	60
Outdoor and indoor sport/leisure/recreation facilities	10	40
Protection of the environment	10	40
Reclamation/restoration of archaeological sites, traditional buildings and villages	4	16
Conference centres	3	12
Facilities for alternative forms of tourism	3	12
Other	5	20
Total (N = 25)	69	276

Note: responses do not add up to 100%, due to multiple answers.

In summary, officials paid more attention to the provision of infrastructural facilities compared to the other two community groups. On the other hand, owners/managers were more concerned with the construction of more outdoor and indoor sport/leisure/recreation facilities. However, since the question was worded differently, more appropriate for each group, it is difficult to make any conclusions.

Owners/managers and residents also noted a number of actions essential for further tourism development (Table 9.30), mostly the creation of more and better infrastructure (40% of owners'/managers' and 31% of residents' responses) and the provision of better quality services (31% of owners'/managers' and 15% of residents' responses). Services mentioned included: police control, tourist information centres, airport services, health and cleanliness. The third most significant action considered was environmental protection and management (21% of residents' and 14% of owners'/managers' responses), through urban planning control, environmental auditing and Environmental Impact Assessments (EIAs) in tourist projects. It was suggested that the absence of strict planning controls for various types of developments has resulted in severe environmental problems in many resorts of the island, as short-term private investors' interest often prevails over longer-term common interests. Surprisingly, the proportion of

residents calling for more and/or better promotion of the island was higher (26%) than owners/managers (6%). Owners/managers (10% of responses) called for better attitudes towards tourists and/or less exploitation of tourists through education and awareness campaigns for the local population, although a higher share of residents (10% of responses) called for better planning, as well as co-ordination between relevant public and private activities. Actions attracting the support of less than 10 percent of responses were also mentioned. As owners/managers of medium and small-sized tourism enterprises mentioned, the public sector has provided incentives for large enterprises, while smaller enterprises have been left without any support. Therefore, some asked for a program of financial incentives to assist the modernisation and upgrading of small tourist enterprises. Other actions proposed included: cultural activities/restoration of traditional buildings, training/education, better control of tourist enterprises, lengthening of the tourism season, prohibition of building construction in saturated areas, easing visa issue, attraction of new markets and development of the south-west part of the island.

Table 9.30: Actions for further tourism development

	Residents (N = 115) %	Business (N =80) %
More and better infrastructure	31	40
Better quality services	15	31
Protection of the environment	21	14
Advertisement/Promotion	26	6
Better attitude/less exploitation of tourists	4	10
Better planning/Co-ordination/ Organisation	10	3
Cultural activities/Restoration of traditional buildings	8	3
More incentives	4	7
Training/education	4	6
More and better control of tourist enterprises	5	5
Other	6	4
Total survey	134	129

Note: responses do not add up to 100%, due to multiple answers.

In short, the four main actions for further tourism development proposed by residents and owners/managers were more and better infrastructure, better quality of services, protection of the environment and advertisement/promotion. Owners/managers were primarily concerned with the improvement of services

compared to residents. Again it may be the case that owners/managers that are involved in tourism activities are more aware of the deficiencies of the tourism product. Since the percentage of residents asking for more promotion and advertisement is much higher than for owners/managers. From first sight it might be supposed that people not 'involved' in the industry might be more aware of some of its problems. However, this may not be the case since in the business survey there was a question asking for changes and improvements to be undertaken by the public sector towards tourism promotion, and many owners/managers might have thought that they had covered this topic earlier and did not want to repeat themselves.

In conclusion, the vast majority of respondents supported further tourism development, in particular, more infrastructural, environmentally-friendly and outdoor and indoor sport/leisure/recreation facilities, better provision of services, protection of the environment, better quality, well-organised tourist enterprises and the attraction of better quality tourists.

Some opinions were expressed about the elimination of development (from 13% of owners/managers and 20% of residents) as Table 9.31 indicates. Three issues were mentioned. Firstly, an overwhelming percentage of owners/managers (82% of responses) reported that the island is already saturated and/or well developed, although the share of residents was much lower (31% of responses). This may be attributed to the fact that owners/managers spend a lot of their time in places where there is high concentration of tourism activity, the areas where tourism businesses are located, whereas many of residents live in areas with lower tourist activity. As a result, owners/managers may be more aware for the extent of the overdevelopment problem than residents. Secondly, a high proportion of residents (46% of responses) suggested that through further tourism development there would be destruction of the society/culture. This suggests that residents paid more attention to the socio-cultural effects of tourism than the business sector. Both groups suggested that more tourism development might further pollute the environment (approximately 18% of responses). In the words of one tourist shop owner:

The city of Agios Nikolaos has a marina and a small port. Both of them are enough for the needs of a small resort city, like Agios Nikolaos. For the transportation of tourists, the local population and the importation/exportation of products there is one ferry connecting the city with Pireas (the port of Athens). Currently, there are some plans for extension of the port so as to give the opportunity to more ferries and cruisers to enter the port. The city attracts hundreds of tourists every year. The sea is already polluted. Although the extension of the port and the grounding of more ferries may bring short-term economic benefits, it will result in further marine pollution that may discourage tourists from visiting the location. As a result, there is a movement among citizens to stop any extension of the port.

Table 9.31: Reasons for no further development of the island

	Residents (N = 39) %	Business (N =17) %
Already saturated/ over developed	31	82
Destruction of the society/culture	46	12
Environmental degradation	17	18
Other	14	7
Total survey	108	119

Note: responses do not add up to 100%, due to multiple answers.

In summary, from the above responses it is evident that residents expressed a higher concern about the negative effects of tourism on society and/or culture, compared to owners/managers that their major assertion for restriction of tourism development was an already well developed tourism industry.

9.6 MAJOR ACTION FOR PLANNING TOURISM DEVELOPMENT

Following on from the problems associated with tourism, the last question provided an opportunity for owners/managers and local authorities officials to suggest the most essential action to be undertaken for planning the island's tourism development (Table 9.32). Not surprisingly, the majority of the responses correspond closely with views already expressed in other questions.

The provision of infrastructure was the main step that according to 40 percent of owner/managers should be taken for planning tourism development. Other actions included: the provision of better quality services (10%) and environmental protection and management (9%), to reduce adverse problems, such as traffic

congestion, noise pollution, aesthetic degradation, overbuilding and illegal building etc. Other action mentioned was the control and modernisation of tourism enterprises (8%), so as to provide better facilities and services and to attract higher quality tourists. Six percent of owners/managers asked for the maintenance of the Cretan tradition and/or culture that are considered the island's competitive advantages. There was a call for lengthening of the tourism season, as well as the attraction of better quality tourists (5%). Better education/training of all involved in the island's tourism industry is needed to address most of the problems faced by the island's tourism industry, according to five percent of owners/managers. In addition to these views a number of other actions were mentioned each of which attracted the support of a minority of owners/managers, including further development of the under-developed south-west coast, a stable tourism policy, control of the informal accommodation sector (parahoteleria) and prohibition of further hotel construction, less bureaucracy and more organisation of the public sector. As one owner commented, a high amount of patience is required when handling public sector bureaucracy, restrictions, legislation and regulations and he asked for immediate action to eliminate this problem.

Table 9.32: Major action proposed by owners/managers for planning tourism development

	No of respondents	%
Provision of infrastructure/improvement of existing	57	40
Provision of better quality services	14	10
Environmental management and protection	13	9
Control/modernisation of tourism enterprises	12	8
Maintenance of tradition/cultural events	9	6
Education/training	7	5
Attraction of better quality tourists/extension of season	7	5
Other	25	17
Total survey	144	100

Officials indicated three main areas of greatest concern (Table 9.33). Eight officials considered essential the construction and maintenance of infrastructure and tourism superstructure by the public sector, together with the provision of incentives to the private sector towards the construction of infrastructure. Next, four officials called for the protection of the environment through urban and coastal planning. Thirdly, three officials suggested the attraction of alternative

forms of tourism together with the extension of the tourism season. In addition, a number of other actions were suggested each of which attracted the support of two or less officials, such as calls for a detailed investigation of the problems resulting from tourism development, so as to design a master plan for the island's tourism development, prohibition of more hotel construction apart from high class hotels, improvement of services, promotional campaign of Cretan tourism abroad, enforcement of controls on tourist enterprises/entrepreneurs, training/education of all involved in the tourism industry and co-operation between the public and private sector. To conclude, one official from a trade association stated:

Too much attention is paid to tourists instead of local community perceptions. Therefore plans are mainly in favour of the incoming tourists and do not seem to help the local residents' life... Unless the local community is consulted and their needs and expectations considered, the future development of the island's tourism industry will be successful.

From the above statement, it is clear that the local community is important for the success of the island's tourism development and therefore there is a need to incorporate the local community's needs and desires in the development and planning process. Although might one consider that the conceptual task of proposing planning strategies would be difficult for many respondents, it is noteworthy that the response rates to this question for both owners/managers and officials were very high. This may be attributed to the interest of both community groups in tourism.

Table 9.33: Most essential action proposed by officials for planning tourism development

	No of Respondents	%
Provision of infrastructure/improvement of existing	8	32
Environmental protection/urban and coastal planning	4	16
Alternative forms of tourism/extension of tourism season	3	12
Attraction of higher quality tourists/new markets	2	8
Other	8	32
Total	25	100

In summary, the first essential action for tourism development for both groups was considered the provision of infrastructure and/or improvement of existing

infrastructure. Officials paid more attention to environmental protection, although owners/managers considered more essential the provision of better quality services, something suggested by only one official.

9.7 CONCLUSION

The above analysis of the Cretan community's views of tourism has revealed that, despite some negative aspects, the overall impacts are generally felt to be positive and promising for the future. The local community appreciates the value of the tourism industry for their island's welfare, that tourism's presence is important to the local economy and the destination's capacity to absorb tourism has not apparently been breached. Many respondents welcomed an increase in the number of tourists, although most qualified their desire to see more tourists with the rider that it should be accomplished by extending the season and attracting higher spending/better quality tourists. Generally, there was an acceptance of further tourism development, although some concern was expressed about the negative impacts of tourism mainly on the environment. Dissatisfaction was identified with the actions of the public sector, mainly central government.

When the study groups were asked to outline their own planning proposals for tourism development, a considerable number formulated proposals for the optimisation of the tourism sector performance including improvement of current tourist infrastructure and facilities enhancement of the provision of services, environment protection and respect for culture and tradition. Further proposals included: more and better promotional activities, to provide better information and particularly to upgrade the image of Crete, the exploitation of new areas of the tourist market, and calls for the public sector to become more organised and responsible, as well as less bureaucratic.

Among the benefits of tourism development cited by the respondents, economic advantages dominate the perceptions of the three study groups, including employment creation, support of the local economy and generation of income for locals and the government. The social impacts of tourism were considered

beneficial by the majority of respondents although a minority mentioned disadvantages related to the weakening of social values and the commercialisation of relationships between the local population and incoming tourists. Additionally, the impacts of tourism on the environment were seen more negative, although officials were more eager for the attraction of tourists outside the summer season and the encouragement of higher spending tourists.

In summary, respondents exhibited a great deal of confidence regarding the ability of the island to become a more successful tourism destination, but showed a need for investments in infrastructure and sport/leisure/recreation facilities for greater tourism satisfaction although emphasis was given to the environmental protection of the island. Thus, in order for the public sector to create additional facilities without any environmental degradation, conscious planning is necessary.

The next chapter will discuss the research findings and the literature, in order for the final chapter to provide conclusions and recommendations for the development and planning process of the island.

CHAPTER TEN: DISCUSSION OF THE TOURISM DEVELOPMENT AND PLANNING PROCESS

10.0 INTRODUCTION

As mentioned in the introductory chapter, for tourism to be used as a development tool, it should be accepted by the local community; in particular by three groups of people: business people who desire commercial viability, residents who live with, and perhaps on, tourism and the local authorities which develop the industry. Acceptability of the above three groups of tourism is based on their perceptions. However, perceptions may not be accurate. In order to decide whether the perceptions of the sample interviewed in this study were true, an investigation of the tourism development and planning process of the island was undertaken. The logic for this was that by investigating:

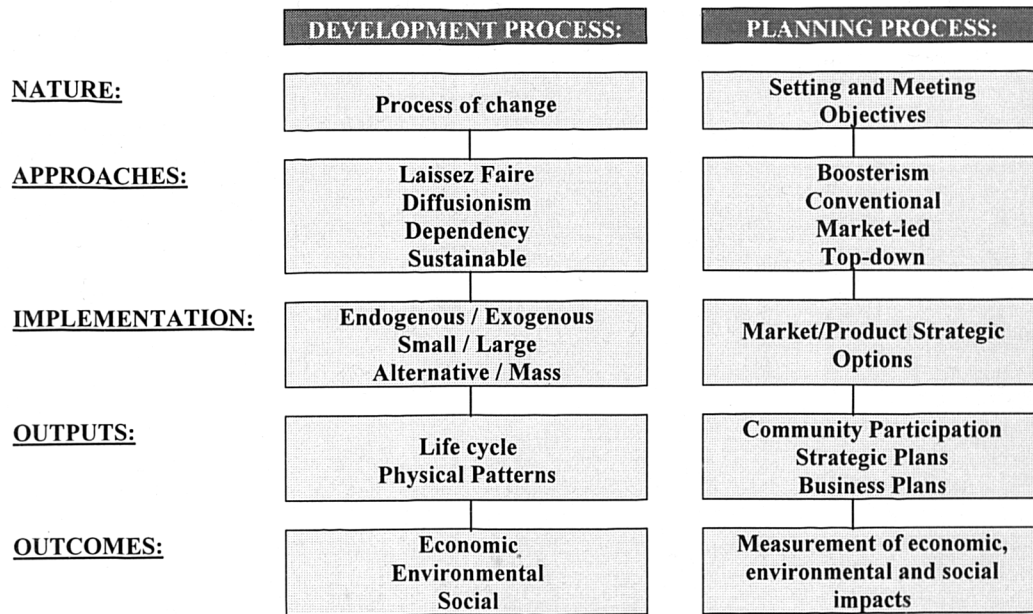
- What happens in development terms?
- What happens in planning terms?
- What people perceive about the development process?
- What people perceive about the planning process?

it may be possible to identify whether the reality matches the perceptions of the community. In other words, is what exists on the ground from the development and planning process what people think?

Based on secondary data (journal articles, policy documents, conference papers etc), this chapter initially presents a framework for the past tourism development and planning process options for Crete (Figure 10.1). This chapter then reviews the components of the tourism development and planning process to highlight what has taken place in Crete. This is followed by a discussion of the findings of the three community surveys in order to identify if reality corresponds with what is perceived by the three study groups. By doing this, a basis is provided for the

final chapter to recommend appropriate strategies for the matching of what is true with what is perceived true.

Figure 10.1: Framework of options of the tourism development and planning process



Source: Author.

10.1 THE TOURISM DEVELOPMENT PROCESS

For many decades, governments, planners, developers, communities and international agencies have seen tourism as a panacea for the development of the peripheral regions of the world (Christaller, 1964; Ioannides, 1995a). However, tourism evolves in stages. The review of Crete's development patterns in Chapter Four showed that the island has undergone a number of stages of tourism growth.

At the *pre-tourism stage*, the population was declining and employment and income were primarily agricultural. The unspoilt environment, the archaeological and cultural resources and the Cretan hospitality attracted the *first explorer tourists*. However, expansion of the tourism industry was slow due to accessibility problems and the low level of infrastructure and communication. Although it is not easy to identify when the island passed through each stage of the resort cycle, because of the plethora of resorts found on the island, each of which may have its own particular cycle, it is estimated that in the early 1960s, many of the island's

resorts started to reach the *involvement stage*, when a significant role for the expansion of the industry was played by the local community.

Later the government realised the potential of tourism and provided incentives for the *development* of the industry. Although tourism development has brought many economic benefits to the host population, some problems have been created. Today, many resorts of the island have reached the *maturity stage* of the life-cycle. Tourist activity has seen the transformation of many coastal areas into urban and suburban environments through the construction of many tourist enterprises and uncontrolled building, as reported by Kousis (1984) in Drethia and AHTE (1995) in Chersonisos. The ribbon-like construction of resort development is further evidence of this trend. Moreover, development on the island has much in common with Britton's (1982) enclave model, as tourism is organised in the generating tourism countries, where metropolitan corporations dominate major facets of the industry and organise the package tour. Consequently, there is increased control of tourist movements to the island and the only uncontrolled facet of the Cretan industry are some of the consumption patterns of tourists during their vacation.

From the above review it is evident that tourism in Crete has resulted in a process of change for many of the island's communities. Through the introduction of tourism, technological advances have occurred, many locals are better off than their ancestors and there has been a natural path of economic growth from a traditional agrarian economy to a modern tourism-oriented one. Thus, development in the island has been in line with the diffusionism paradigm, as there has been diffusion of development from place to place, a spread of ideas and a subsequent alteration in the social structure, by borrowing or adopting the cultural traits of incoming tourists. In-migration and repatriation have taken place and the rural population has moved to the resorts and the urban centres where the tourist attractions are located (Tsartas et al., 1995), contributing to the conversion of many areas from a rural to a more urban-oriented society. Thus, tourism has taken a form of 'modernisation'. However, although there have been changes in lifestyles and culture over the decades in Crete, there is not enough evidence to

confirm that these changes are due only to tourism development and not to any other catalysts of modernisation.

The diffusion of development in Crete has not followed Miossec's (1977) model of tourism space dynamics, since tourism has been developed close to the urban centres with proximity to international airports. As a result, many areas of the island (mainly the southern coast and the hinterland) lag behind in development, their economy has remained agrarian and they witness serious depopulation and other underdevelopment problems, although their unspoilt environment has been preserved. Consequently, there is an unequal geographical distribution of tourism activity in the northern coast of the island and the Prefecture of Heraklio (OANAK, 1995; HNTTO, 1998).

The high agricultural production of the island allowed the agricultural sector to supply the expanding tourism industry with the bulk of fresh food for consumption by foreign tourists (Papadaki-Tzedaki, 1997). Through the survey of the outcomes of tourism development, it is evident that many of the enterprises used in the sample purchase their supplies within the island (notable exceptions being the tourist shops and the larger AEs). However, since the island has almost no manufacturing production a high import content exists for the supply of many products consumed by the tourism industry, such as stationery, kitchenware and china, linen, other food products, as well as alcoholic drinks and some types of building materials.

Nevertheless, tourism still brings substantial benefits to the economy through employment and income generation to the host population. One quarter of residents interviewed were employed in tourism or considered themselves tourism employees, as the enterprises in which they worked in, provided a high proportion of services/products to the tourism industry. In addition, approximately one quarter of owners had multiple business ownership and employment activity, with many working in agriculture during the winter and in the tourism industry during the summer, confirming the findings of the studies by Papaioanou (1987) in Heraklio and Papadaki-Tzedaki (1997) in Rethymno. As a result, although there

are signs that the two main sectors of the island, farming and tourism compete for land and workforce, very often there is evidence of joint development. Consequently, the problems of seasonal unemployment and lack of supply or demand of agricultural production, which could emerge through the isolated development of either sector, have been resolved (Mourdoukoutas, 1988).

The expansion of the island's tourism industry has been used as a means of replacing traditional full-time employment lost by other sectors of the Cretan economy and has contributed to the reduction of unemployment rates. However, the tourism sector on Crete displays characteristics that have been criticised elsewhere, in particular seasonality (as also Shaw and Williams, 1988; Ball, 1989; Ashworth and Thomas, 1999 found elsewhere) and a high proportion of females in the workforce (Vaughan and Long, 1982; Purcell, 1996). The seasonality of tourism has created a beneficial pluriactivity with a seasonal balance in incomes, as well as pluriactivity based on combining tourism and agriculture, reported also by Papadaki-Tzedaki (1997). The pre-conception that the tourism industry creates part-time employment (found by Robinson and Wallace, 1983; Heerschap, 1999) was not confirmed.

Different types of tourism enterprise have different workforce characteristics in respect of the gender of their employees. Specifically, accommodation establishments have higher share of female and non-family employees, although travel agencies/car rentals the higher share of male. Additionally, small and medium sized accommodation establishments require higher numbers of family ownership/management and employees and, since most of them are locally-based, they require a higher proportion of local labour compared to the larger ones, as also found by Kontogeorgopoulos (1998, p.337) in Samui, Thailand.

10.2 THE TOURISM PLANNING PROCESS

During the early stages of tourism evolution, the Greek Government did not realise the significance of tourism activity for the island and therefore it did not set any specific objectives for tourism development. As a result, tourism was not

planned, it just evolved (Kousis, 1984). The potential of tourism was realised by the private sector, mainly the local elite (Kousis, 1984; Papadaki-Tzedaki, 1997), which provided some facilities for the attraction of tourists.

When the interest of foreign tourists started to increase, a significant role in the development of the island's tourism product in the coastal areas was played by the incentives given by the military government (1967-1974) (Kousis, 1984). The government started to set some mostly market-led objectives, directed at increased bed spaces and the construction of facilities demanded by the tourist market, through various incentives given by Development Laws (e.g. Law 1262/82).

Through tourism jobs, income and public revenue increased tremendously as Chapter Five reports. However, due to insufficient planning and the limited co-operation between public and private sector, many problems emerged. Since, the government provided incentives for tourism expansion even in congested areas, some areas' carrying capacities have been exceeded and the natural ecosystem is threatened (Greger, 1988; Nikolakakis, 1998b). The Greek government has recognised many areas of the island as being saturated and no further construction of accommodation establishments (AEs) is allowed. However, in some places on the island, the tourist product has already lost its appeal and often attracts low-spending markets (Anagnostopoulou et al., 1996). This was also encouraged by past tourism strategies aimed mostly at cost leadership (e.g. through frequent devaluations of the Greek Drachma).

Although, one of the major prerequisite of sustainable development is the involvement of host groups in the development and planning process, past examples have shown that many tourism areas have neglected local community involvement in tourism as being too troublesome and expensive for government or business to support (Haywood, 1988; Godfrey, 1993; WTO, 1994) or because they may believe that planners are the experts. This is also evident in Crete, where a top-down and highly centralised tourism planning system has been adopted by many governments. While many plans were formulated, most were not, or were only partially, implemented (Komilis, 1987). The EC (2000b) explains this by

saying that the host community had little input into the planning process. As a result, plans did not reflect the local community's needs and desires and there was limited (if any) support during their implementation (Komilis, 1987).

In Crete, promotion and assistance for tourism development are concentrated in the hands of national agencies, while local authorities only have the responsibility for providing essential infrastructure and services. Administration is not well established, and there are formidable bureaucracies, as well as insufficient communication among public sector bodies. To date Cretan residents, businessmen and governments have all acted according to their own priorities. Residents and businessmen care mainly about their short-term personal advantage. Governments have allowed development to be uncontrolled, on the assumption that strict legislation will impede development and residents will thereby lose employment and income, something that will reduce votes in elections (Kousis, 1994). Therefore, there is a need for planning in order to eliminate the negative impacts of tourism and reinforce the benefits.

The limited diversification of the Cretan tourist product, the transportation weaknesses faced by Crete as an island destination and the limited resources of the island's tourism enterprises led to a high dependence on transnational companies, in the form of overseas tour operators controlling accessibility, marketing, selection and attraction of tourists. Tour operators have the power to control the number and type of tourists with no regard to the implications for the island's resources and the host population's welfare. As a result, tourism has a high exogenous dependency for the distribution of the tourist product to the tourist generating countries.

Small-scale development on the island has led to problems of over-supply of small tourist enterprises. As a result, during the last decade, Cretan tourism policy has moved towards the construction of large-scale developments and the establishment of integrated development areas, in the hope of achieving more control over tourist enterprises and the attracting of high-spending tourists. In addition, in order to avoid economic disaster and decline, the authorities recognise

the need for tourism planning and management, through the adoption of sustainable policies and attempts to diversify the product and improve the image, through the exploitation of resources and the construction of artificial attractions (e.g. golf courses), by promoting alternative forms of tourism and environmental and cultural resources and improvement or construction of infrastructure (Anagnostopoulou et al., 1996; Region of Crete, 1995b; 1998).

10.3 PERCEPTIONS OF THE OUTCOMES OF THE DEVELOPMENT AND PLANNING PROCESS

The aforementioned review of the tourism development and planning processes has contributed to identifying the real situation of the island in terms of development and planning. However, the question is: does reality match the perceptions of the community? To answer this question, the section below presents the perceptions of the study groups of the tourism development and planning process.

Brown (1990) believes that investigations emphasising similarities and differences between places are important in order to gain a better understanding of the development process. Before discussing the study groups perceptions of the tourism development process, a question arises: Do Cretan community perceptions of tourism impacts differ compared with the perceptions of communities from elsewhere? To reply this question, the findings of the current study were compared with studies of other communities. In order to see if tourism development has increased the perceived benefits or costs over the passage of time a comparison of the findings of this study with those of past studies undertaken in Crete would be useful. However, most of the times limited past research prevents such a comparison.

10.3.1 Positive and negative outcomes

From the study of the three community groups perceptions, it is evident that tourism in Crete is perceived as having both positive and negative outcomes.

10.3.1.1 Positive outcomes

Examination of the advantages of tourism cited by the three study groups reveals that the economic benefits dominate their perceptions. The study groups described tourism as good for the economy, which is consistent with past research elsewhere (Murphy, 1980b; Ritchie, 1992; Lankford, 1991; Ryan and Montgomery, 1994; Faulkner and Tideswell, 1997; Ryan et al., 1998; Chen, 2000). Similarly, employment opportunities have been created (as reported also for other communities by Ritchie, 1988; King et al., 1993; Haralambopoulos and Pizam, 1996; Faulkner and Tideswell, 1997) and income for the local population has been increased (found also by Pizam, 1978; Milman and Pizam, 1988; Korca, 1998). When the present study is compared with the study of Ritchie (1988), it can be seen that 94 percent of Alberta residents saw tourism as important to the economy and 87 percent as important for employment generation, although in this study the percentages of the three study groups finding tourism advantageous for the economy and employment were higher (96% and over). Perhaps this is due to the fact that many of the communities used in the sample do not have many alternatives for employment compared to Alberta where tourism is the third most important industry in the province (after petroleum and agriculture).

Local authority officials praised tourism for its positive impacts on the regional balance of payments, attributing three positive effects: the foreign exchange earnings from tourists, the linkages that tourism creates with other sectors of the economy, mainly agriculture, construction and the handicraft industry, and the increasing exportation of local agricultural and cattle production through familiarisation of tourists with local production. As a result, officials were able to identify many less obvious effects of tourism on the balance of payments. Likewise, residents praised tourism because it attracts more spending and investment in the region (found also by Sheldon and Var, 1984; McCool and Martin, 1994; Akis et al., 1996; Chen, 2000 in other communities).

The economic advantages of tourism development were also evident in the factor analysis, where the most important dimension for residents was the economic

impacts of tourism. The findings of the factor analysis undertaken in this study give credence to the findings of Liu et al. (1987); Brayley et al. (1990); Ap et al. (1991); Faulkner and Tideswell (1997); Yoon et al. (1999), where economic impacts were found to be the most important issue of tourism development. Therefore, future plans and policies should emphasise the significance of the economic outcomes of tourism development in order to ensure that the Cretan community will continue to appreciate the economic impacts of tourism and there will be an increase in awareness of tourism economic benefits to any 'Economic Sceptics' segment of the population.

Residents also praised tourism for an increase in infrastructure and cultural activities (found also by Sethna, 1980; Sheldon and Var, 1984; McCool and Martin, 1994; Korca, 1998; Ryan et al., 1998), as was also evident in the factor analysis where the second factor dealt with the positive effects of tourism on culture and infrastructure. The highest levels of agreement regarding the positive impacts of tourism were with regard to the maintenance of historical buildings and archaeological sites (found also in other areas of the world by Korca, 1996; Ryan et al., 1998) and standard of living (Pizam, 1978; Milman and Pizam, 1988; King et al., 1990; Akis et al., 1996). Additionally, 54 percent of residents suggested that tourism provides an incentive for the conservation of natural resources, something that was suggested by only 39 percent of Gold Coast (Australia) residents (Faulkner and Tideswell, 1997).

10.3.1.2 Negative outcomes / problems of the tourism industry

While respondents appreciated certain aspects of tourism development, they also recognised the existence of some negative impacts. First, it was suggested that, because of tourism, the prices of many goods and services in the region have increased (reported also by Belisle and Hoy, 1980; Akis et al., 1996; Korca, 1998 elsewhere). Secondly, a concern was expressed by some respondents over the environmental impacts of tourism, consistent with the surveys of Liu et al. (1987) and Kavallinis and Pizam (1994). Thirdly, it was suggested that the construction of hotels and other tourist facilities has damaged the natural environment (found

also by Akis et al., 1996 for the residents of Cyprus). It is clear that environmental resources are the nucleus of tourism development and that by destroying these resources there will be a degradation of the island's tourism product, something that will have implications for the tourism industry and consequently for the economy of the island. Therefore, the opinion was expressed that physical resources of the island should be preserved for the empowerment of the offered tourist product and community welfare. Additionally, a minority of respondents reported some negative social impacts, mostly related to the commercialisation of relations, as Ahmed (1987) and Berno (1999) found in other communities, and the weakening of social values, reported also by Tsartas et al. (1995) for the residents of Lassithi Prefecture.

The island's tourism industry faces some serious problems. Due to high competition, the very marked seasonality experienced by the island and the increasing supply of tourist enterprises, there is an under-utilisation of tourism enterprises. Seasonal decreases in demand lead to closure of the vast majority of tourism enterprises for five months of the year. Even enterprises that remain open run at low occupancy rates or turnovers. Although it was extremely difficult to obtain financial data from the businesses, many owners/managers mentioned that their enterprises faced financial problems and many respondents suggested that owners were dissatisfied with their enterprises' income. Lack of capital, low profitability, high taxes paid, high compound interest rates, low spending power tourists, low return on investments and difficulty of obtaining finance were of particular concern.

However, the three study groups recognised as a major drawback for tourism development the lack of infrastructure and the low quality of services, problems identified also by Tsartas et al. (1995) in a survey of Lassithi residents, as the major deficiencies of the areas' tourism industry. Problems identified in the current study included bad quality roads/airports/ports; lack of information/signs; and insufficient sport/leisure/recreation activities. Complaints were also expressed about the provision of services, such as police control, waste disposal, cleanliness, airport services and provision of information to tourists.

For all these problems the study groups blamed various public sector bodies. Dissatisfaction was expressed mainly with the Greek Government. However, residents' opinions to the role of public sector bodies were mixed, as some recognised the contribution of some public sector bodies to tourism development and others attributed to the public sector various deficiencies. For example, some residents recognised the significant role of public sector bodies in the tourism industry through promotion of the destination, financial help and provision of infrastructure and services, although others blamed public sector bodies for irresponsibility, disorganisation, bureaucracy, wrong tourism policy, insufficient promotion and provision of infrastructure and services.

The data presented in this study clearly show that part of the Cretan community is not aware of the role played by the public sector in planning the tourism industry, which suggests that more work is needed by the public sector to inform the local community of their achievements. It was suggested that local authorities, the Hellenic National Tourism Organisation (HNTO) and the Greek Government do not contribute equally to tourism development in the sample areas. It may be that public sector bodies have paid differing attention to the tourism development of some areas of the island or some local public sector bodies were more successful in informing the locals of their achievements.

10.3.2 Major discriminators of community perceptions of tourism development

From the above discussion the following question emerges: Do community members perceive tourism development the same or do their opinions differ because of various factors? Since the findings of past research, e.g. Davies et al. (1988); Evans (1993); Madrigal (1995); Ryan et al. (1998); Ryan and Montgomery (1994); Andriotis et al. (1999), suggest that communities are not homogenous, and that within host communities, segments can be identified based on the residents' perceptions of, and attitudes towards tourism development, this

study attempted to identify whether there are factors within the sample that may be used as explanatory of the locals' perceptions.

To identify differences within the sample that can explain the support of some segments for tourism, several variables were set in the survey and tested as key determinants of local opinion. In the residents' survey, these were: city, length of residence, age, gender, income, education and employment reliance on tourism. Although there is a range of opinions between certain socio-demographic groups, it is very difficult to conclude that one group or another feels dramatically different about tourism in Crete. In particular, most of the seven socio-demographic variables of the residents' survey have played little role in explaining attitudes, as their predictive ability in the regression analyses was very low, explaining from 3.3 to 13.6 percent of the variance in the factors. However, in most past attitudinal studies the prediction measured by the coefficient of determination (r^2) was also low, e.g. regression models in the studies of Pizam (1978) and Sneith and Haley (1999) predicted nine percent of the variance. As Keane (1994) indicates "good explanatory power is not always a feature of statistical models in this area of research" (p.163).

The hypotheses that length of residence, gender, age and income can explain attitudes towards tourism development were rejected by the findings. In contrast with past research where long-term residents were found to have more negative perceptions of tourism (Allen et al., 1988; Lankford, 1991; Lawson et al., 1998), this was not evident here. Gender was also not a significant discriminator of attitudes, as has been found in many other studies (e.g. Pearce, 1980; Kim, 1986; Davis et al., 1988; Ritchie, 1988; Harvey et al., 1995; Korca, 1996). Notable exceptions to the study findings were the studies by Milman and Pizam (1988) and Chen (2000) which found that gender influences residents support for the tourism industry. Moreover, in contrast with the studies of Brougham and Butler (1981) and Chen (2000) which found that age can explain residents attitudes towards tourism, the findings of this study suggest that age is not a determinant of residents attitudes (as found also by Allen et al., 1993; Seid, 1994; Ryan et al., 1998). Finally, the hypothesis that income is significantly related to tourism

attitudes, was not supported by the data (as Seid, 1994; Ryan et al., 1998 found elsewhere).

The most significant variable affecting residents' perceptions within the sample was education, as previously found by Kim (1986); Allen et al. (1988); Husbands (1989); Caneday and Zeiger (1991); Jones et al. (2000). The highly-educated segment was more concerned with the environmental costs of tourism, something that was evident in the regression and cluster analyses. These findings are consistent with Caneday and Zeiger (1991) study which found that residents of Deadwood, South Dakota with higher education were more sensitive to the impacts caused by the tourism industry.

A second variable affecting favourable attitudes towards tourism development and impacts in this study was employment reliance on tourism. As many past studies have found elsewhere (Thomason et al., 1979; Milman and Pizam, 1988; Glasson et al., 1992; Lankford and Howard, 1994; Haralambopoulos and Pizam, 1996; Korca, 1998; Snaith and Haley, 1999), residents employed in the tourism industry have more positive opinions of tourism.

Unlike previous studies (Doxey, 1975; Madrigal, 1993; Ritchie, 1998), this study has not shown that residents of a city with extensive tourism development would view tourism less favourably, since citizens of Agios Nikolaos with higher levels of tourism dependence were very positive towards tourism issues and were highly favourable towards further expansion of the tourism industry. These differences in the perceptions of Agios Nikolaos residents, when compared to the residents of the other three cities, while not extreme, should attract the interest of tourism planners and developers. Specifically, residents of Agios Nikolaos who have a clear dependence on tourism for jobs and income (Tsartas et al., 1995) perceive tourism more positively, whereas perceptions of residents of the other cities (Heraklio and Chania) with alternative sectors for income and employment, were not so positive.

In the business survey, three independent variables (location, sector and size of AEs) were tested as key determinants of owners'/managers' attitudes and differences in the enterprises' development patterns and characteristics. For enterprise characteristics, the best two significant discriminators were size of AEs and sector, whereas location did not provide much explanatory value. However, some of the statistical results of the χ^2 tests were unreliable due to low cell counts and the correlations between independent and dependent variables, identified by Cramer's V and Spearman's ρ , were, in most cases, at low to moderate levels, showing that there were not extreme differences within the sample. On the other hand, ANOVA tests have shown some differences in perceptions, with owners/managers of larger AEs being more positive about various impacts of tourism compared to owners/managers of smaller establishments, although location and sector were not significant discriminators of attitudes.

Due to the small sample size of the local authorities' survey, no independent variables were set to explain officials' attitudes to tourism development. However, it was clear that there was little variation in the perceptions of the officials' to tourism development since the standard deviations of the attitudinal statements were at low to moderate levels. Moreover, officials' perceptions most of the time were positive indicating a consensus of their opinions of the importance of tourism to the island.

One objective of this study was to investigate if the study groups (residents, owners/managers and officials) presented any differences in their perceptions. An interesting issue emerging from this study is the generally positive nature of the study groups responses and the low variation in their opinions. In summary, the three study groups expressed the same opinions towards tourism impacts, reported almost the same problems faced by the tourism industry and proposed similar suggestions for their amelioration. However, there were some different priorities in relation to these problems. Specifically, the demand for the attraction of higher spending tourists and for more outdoor and indoor sport/leisure/recreation facilities was more frequently suggested by owners/managers compared to residents. Apparently, the representatives of the tourism industry are more aware

of the deficiencies of the island's tourism product. On the other hand, officials were more frequently concerned about environmental problems, although owners/managers considered the provision of better quality services to be a higher priority. It may be the case that people dealing with planning are more aware of the environmental costs of tourism, although people working in the tourism industry are more concerned about the quality of existing services.

10.3.3 Actions / suggestions of the study groups for the solution of the problems and the strengthening of positive outcomes

This research was undertaken not only to identify the perceptions of the study groups of tourism impacts but also to use these perceptions as a guide for the future tourism development of the island. Moreover, to identify if the activities of the public and private sector correspond to the suggestions made by the study groups, the local authority and the business surveys asked respondents to provide information on actions undertaken for tourism development.

As was evident from the findings of the primary research, the sample of this study was able not only to identify various issues facing the local tourism industry but also to propose solutions to problems and provide suggestions for the strengthening of positive outcomes. The majority of respondents complained about the limited diversification of the product offered by the island and the insufficient provision of infrastructure, facilities and services. As a result, there were calls for the provision of more outdoor and indoor sport/leisure/recreation facilities, more infrastructure and better provision of services in the attempt to increase the competitiveness of the Cretan tourism product and to attract higher spending tourists. However, local authorities were more concerned with the promotion of the island rather than enhancement of the tourist product.

The Cretan tourism industry at present attracts many low-spending power segments. This was evident in the business survey findings where among the 59 owners/managers who reported dissatisfaction of the owner with his enterprise

income 40 percent gave as a reason the low spending power of tourists. As a result, the three study groups asked for higher income tourists to visit the island in the future. The business sector wants to increase tourist spending, as it will be the main beneficiary of increased spending and local authorities want to increase tourist spending in order to receive more taxes and ensure welfare for the local community. However, it seems that both do not contribute financially to this end. It should not go unnoticed that respondents from the business sector and local authorities showed few attempts to become more innovative in the services and facilities offered. Similarly, although the three study groups identified the extension of the tourism season, as being vital for the future expansion of the island's tourism industry, only a limited number of authorities and enterprises shared a common interest in promoting tourism as a year-round activity. However, increased competition from other destinations offering similar products suggests the need for more aggressive competitive strategies in order for enterprises to possess a leadership based on the quality and diversification of the offered product.

Many of the owners/managers identified a high level of control over the island's tourism industry exercised by foreign tour operators. Therefore, although many recognised the significant role of tour operators in the attraction of tourists, they acknowledged as a vital disadvantage their role in the determination of prices, through their demand for discounts on services that leave low profit margins for most entrepreneurs. As the findings suggest not many attempts have been made by the enterprises used in the sample to overcome the problem, because owners/managers believed they were powerless to do anything and conferred responsibility to the public sector. However, local authorities did not necessarily identify a central role for themselves in the solution of this problem. Perhaps the local authorities lack motivation, staff, funding or time, or they believe there is nothing they can do.

There were only a few signs that the negative impacts of tourism are beginning to be reflected in the tourism activities of some local authorities which have adopted a more quality-orientated approach, e.g. through attention to alternative tourism

and culture. It may be that some authorities have realised that demand is rapidly changing, and that consumers are increasingly turning towards quality and “environmentally friendly” products. To meet these new requirements, quality in tourism is starting to become decisive for a limited number of local authorities. According to their opinions it requires improved tourism supply, environmental protection, preservation and fostering of historical and cultural resources, better services, broader distribution of tourism flows in time and attraction of new types of tourism. However, despite the interest shown in the promotion of alternative forms of tourism in less developed areas of the island, little emphasis was placed on ensuring the flow of tourism spending to areas other than the northern coastal strip. As a result, the unequal distribution of tourist spending within the communities of the island will possibly continue in the future.

Although, currently the focus of local authority activities seems to be on advertising and promotion, the majority of owners/managers and local authority officials believed that even more efforts should be made for the improvement and upgrading of promotional activities. Promotion was viewed as a desirable vehicle for enhancing the island’s image. Increased promotional budgets and better promotional campaigns were assumed to bolster the island’s tourism industry. Also, some respondents asked for a refocusing of promotional activities on culture, tradition and the attraction of alternative forms of tourism in order to upgrade the quality of tourists visiting the island.

The island has a large number of enterprises that generate a wide range of tourist products. However, there were complaints that many enterprises are beyond the influence and control of the public sector (mainly the HNTA) regarding volume, pricing and quality of products and services. The insufficient control of enterprises may compromise that the standards promised or implied may not be matched by the reality of visitor experiences during their stay. Concern was also expressed about uncontrolled building, the number of illegal tourist enterprises and the degradation of environmental and cultural resources through uncontrolled tourist activities. Therefore, a proposition to develop tourism involved more

control over the industry and protection of environmental resources, so as to eliminate the costs attributed to tourism development.

Many respondents asked for more involvement in tourism development by public sector bodies and for the government to offer more economic incentives. Due to limited funding, the small size of many enterprises and the associated lack of economies of scale, most entrepreneurs did not have any plans for expansion or change to their business and even when they had plans, they were concerned mostly with the supply of more facilities or the modernisation of existing facilities. Some owners/managers of small tourist enterprises complained that the government neglects their enterprises and gives incentives only to large tourist enterprises. Therefore, they asked for a higher interest and government help for small enterprises. However, it seems that tourism policy neglects small enterprises since the last Development Laws provide incentives only to large-scale investments.

Simply providing more funding as requested by some respondents will not produce long term benefits for tourism development if research is not undertaken. Although the importance of research into the tourism industry, e.g. perceptions of incoming tourists of the island's image and the quality of the tourist product, and the identification of industry problems for effective tourism management, there was little evidence that the local authorities have undertaken or plan to undertake any kind of research. Research therefore probably plays a minor role in management planning. Similarly, it can be assumed that for many (if not all) firms incorporated in the sample, market research is non-existent. While some entrepreneurs may have developed good products, the inability to undertake research on demand, in order to investigate consumers' needs, has resulted in a 'product-focused' rather than a 'consumer-focused' orientation. However, "businesses which understand and identify the needs and wishes of current and potential customers can best develop suitable products and services" (DCMS, 1999, p.35).

Concerns were expressed about the limited co-operation and co-ordination of the people involved in tourism activities and the lack of organisation of the public sector in tourism initiatives, as well as bureaucratic obstacles and a range of related public sector shortcomings. All of these have resulted in delays of plan implementation and limited co-ordination of activities, as other studies have found for Crete (Komilis, 1987; Anagnostopoulou et al., 1996). Therefore, it was suggested that there is a need to create appropriate mechanisms that will help the co-ordination of public sector activities.

10.3.4 Support for further development

Since the success of the tourism industry depends on the acceptability/support of the local community, one aim of this study was to investigate the desire of the study groups for the growth of the tourism industry.

The data presented in this study clearly shows that although respondents were aware and worried about some negative impacts of tourism, the majority did not oppose the expansion of the tourism industry which lends credence to studies undertaken in central Florida by Milman and Pizam (1988) and the Greek island of Samos by Haralambopoulos and Pizam (1996). As Haralambopoulos and Pizam (1996, p.522) suggest, awareness of tourism's costs does not necessarily mean opposition to further development.

Community members declared that tourists were welcome on the island and that an increase in their number is desirable (expressed by 59% of officials, 63% of owners/managers and 69% of residents). In Alberta, Ritchie (1988) and in Colorado, Long et al. (1990) found a higher proportion of residents (92% and 87% respectively) supporting an increase in the number of tourist visitation. One reason for this may be the better quality of the tourists visiting their areas resulting in more benefits to the destination compared to Crete. Keogh (1990) in Canada and Lankford and Howard (1994) in USA state that many attempts are being made to reach a consensus policy formulation, and community opinions and

desires are incorporated in the planning and development process, although in Crete incorporation of the local community in the development and planning process is almost non-existent.

The community members asked from the Greek Government to offer more incentives to stimulate tourism development in their areas, as Belisle and Hoy (1980) found for the residents of Santa Marta, Colombia. Residents were against further taxation of tourists (as found also by Murphy, 1983; Liu et al., 1987; Lankford, 1991). On the other hand, only 32 percent of residents suggested that tourism benefits a small group of people in the region, a percentage almost identical with the findings by Faulkner and Tideswell (1997) in Gold Coast, Australia. Slightly more than half of residents believed that the establishment of tourist enterprises by foreigners should be encouraged in order to offer more benefits to the destination. This finding is consistent with the study of Long et al. (1990) where 48 percent of residents suggested the attraction of foreigners for establishing tourist enterprises. However, a comparison with the study of Long et al. (1990) may be misleading, due to the fact that in this study respondent attitudes were based on a four-point scale, with no neutral option. In the present study as in other attitudinal studies (e.g. Mason and Cheyne, 2000), there was a problem with the Likert scale questions (exception was many economic impact statements) because of the tendency of results to cluster in the corridor of uncertainty. As Ryan (1995) asserts, this tendency can attract people with 'no opinion' instead of a neutral position, and it may be that the mid-point is chosen by respondents who are not aware of the issue. Therefore, these responses could influence the results of the survey. Further research is necessary to redress this situation.

The findings of this study do not confirm the results of previous studies by Davies et al. (1988), Evans (1993) and Madrigal (1995), where anti-tourist segments were identified within host communities. In contrast, the findings follow those in the study by Ryan et al. (1998) in Rangitikei, where residents were found to support tourism, although to different extents. As Ryan et al. (1998) found in their study, "even those scoring low relative to other groups within the Rangitikei are shown to have high scores when compared to other places" (p.127). The findings of

Ryan's et al. (1998) study apply equally to the case of Crete. However, Ryan et al. (1998) attributed the strong support of Rangitikei's residents for tourism to the 'euphoria' or 'early involvement' stage of its life-cycle, although another study by Ryan and Montgomery (1994) found lower levels of support for tourism because of the destination's maturity. The Cretan cities used in the sample can be located towards the maturity stage of the resort cycle, but still residents expressed strong support for tourism development without significant anti-tourist signs, although some concern was expressed. These findings lend credence to the studies by Ap and Crompton (1993); Faulkner and Tideswell (1997); Mason and Cheyne (2000) which suggested that the opposite of Doxey's findings may be the case.

Approximately one fifth of the residents and owners/managers did not want further tourism development because of possible negative effects on the environment and society. As a result, a high share of residents suggested that the community should control tourism development. Long et al. (1990) in his study of 28 rural communities in Colorado found the percentage of residents wanting further control of the industry to be less than half of the percentage found in this study, possibly because in the Colorado communities surveyed by Long et al. (1990) tourism is more controlled than in Crete, where laissez-faire development policies existed in the past.

10.4 CONCLUSION

From the above discussion, it can be concluded that tourism is seen in the study areas as an important activity. The community exhibited a great deal of confidence regarding the ability of the island to become a more successful tourism destination and suggested that overall the benefits of tourism are perceived to be greater than the costs, as many other attitudinal studies have found (e.g. Getz, 1994; McCool and Martin, 1994; Akis et al., 1996; Chen, 2000).

The reason for providing a review of the tourism development and planning process at the beginning of this chapter was to identify if reality matches the perceptions of the community, which as the above discussion suggests, it does. In

addition, the opinions of the study groups were sufficiently close and an overall interest in the community's future was expressed, with the study groups proposing almost the same solutions to the problems faced by the industry. Thus, there is a possibility to design a tourism product for the island as desired by its host community as the next chapter suggests. Finally, a comparison of this study with past studies revealed many similarities with communities in other parts of the world.

CHAPTER ELEVEN: CONCLUSIONS AND RECOMMENDATIONS

11.0 INTRODUCTION

The present research was undertaken from 1996 to 2000 using a multi-method approach. A literature review on the tourism development and planning process was undertaken in Chapters Two and Three. To understand the development patterns of the island of Crete and the benefits and costs associated with tourism expansion, secondary data were collected and presented in Chapters Four and Five. To investigate community perceptions in the tourism development and planning process, to identify problems and opportunities *resulting from the* island's tourism development, as well as to give solutions to problems and reinforce positive outcomes, primary data were collected during 1997 by interviewing three community groups (residents, local authority officials and owners/managers of tourist enterprises). Chapter Six presents a detailed analysis of the techniques used for the collection and analysis of primary and secondary data and Chapters Seven to Nine present the findings. The previous chapter discussed the development and planning process in order to identify the reality of the island's tourism industry, and people's perceptions of it. This chapter attempts to see if the reality matches with what the community perceives to be true. By doing this the aim is to draw conclusions and to recommend future planning priorities and strategies for the design of a community tourist product. Finally, future research priorities are suggested.

11.1 SUMMARY OF THE RESULTS FROM THE TOURISM DEVELOPMENT AND PLANNING PROCESS

The investigation of the tourism development and planning process has contributed to a better understanding of the tourism development and planning in Crete and the position of Cretan tourism in 1997. It is evident that the growth of tourism in Crete has been a blessing for the island and its communities. Benefits

attributed to tourism development include employment and income generation, public sector revenue, infrastructure and elimination of the immigration pattern. Additionally, tradition, culture and arts are maintained for tourist consumption, the social interaction between tourists and the local community enhances awareness and interest in international understanding and friendship (Greger, 1985) and tourist demand often results in the preservation of historical and cultural monuments and the conservation of natural resources.

Despite the afore-mentioned benefits, tourism has had undesirable effects. Unlike all other industries, the tourism industry is involved in the transportation of people rather than commercial goods. Tourism requires the customer (tourist) to visit the product (the host community). According to Berno (1999) "this physical presence of the 'customer' creates a unique set of socio-cultural consequences missing from other export industries" (p.671). People are attracted by the destination's resources. Therefore, the tourism industry depends not only on the quantity but also the quality of these resources. Although many developing countries and islands promote tourism for its positive effects, they ignore the fact that the tourism industry should be developed according to the capabilities of each destination (Godfrey, 1993). Communities have certain limits. Growth beyond these limits can exceed the acceptability limits of the local community that may result in an anti-tourism attitude towards unsuspecting tourists. This can have a major influence on the future success of a destination, since community attitudes are one of the most essential determinants of visitor satisfaction and repeat visitation (Swarbrooke, 1993; Dogart and Dogart, 1996).

In Crete, the uncontrolled expansion of the tourism supply often has resulted in a deterioration of the island's tourism image (Peterson and McCarthy, 1990a), to the extent that today the island attracts many low-spending segments of the tourism markets, highly concentrated in space and time and organised by foreign tour operators (OANAK, 1995). The spatial and seasonal distribution of tourism activity and services, with concentration of tourism businesses on the north coast, and tourist arrivals limited to five months a year, have accentuated chronic imbalances (OANAK, 1995). Incoming tourists come during the summer season,

stay in accommodation establishments (AEs) located on the northern coast and take day trips to the inland and southern coastal areas in order to visit the archaeological, cultural and environmental attractions. As a result, a large proportion of the population has migrated to the urban centres of the North, where the resorts of the island are located and there are tourism jobs. The problem of tourist concentration in space and time is that it causes considerable congestion at peak times often at places of outstanding beauty or sensitivity in ecological terms (Nikolakakis, 1998b). Based on the present research, it is not possible to draw conclusions on the question of capacity. Although, some areas of the island may be saturated in terms of the supply of tourist accommodation and services, and some signs of environmental conflict have emerged, as reported by Kousis (1999), the island's capacity to absorb tourism has not been exceeded.

In areas where foreign developers control tourist activity, conflicts between the host population and tourism development may occur (Baud-Bovy, 1982). Although the population of many island destinations (e.g. the Caribbean and Pacific islands) receive limited benefits from tourism expansion, due to the external control of the main facets of their tourism industry, the Cretan community still retains significant control of many means of production in the local economy, although there is dependency on foreign tour operators.

In order to identify the positive and negative outcomes of tourism development for host communities, knowledge of the notions and preferences of the population living and operating within a tourism community is required (Pearce et al., 1996), since host perceptions to tourism and tourists are important in that they determine the level of welcome visitors are likely to receive, and generally affect the quality of the destination's product (Swarbrooke, 1993). Therefore, Maddox (1985) asserts, measuring and monitoring public attitudes can provide useful information to help the mitigation of problems before they become intolerable. Similarly, Ritchie (1992) states: "no longer can it be assumed that the residents of a tourism destination/region will automatically accept all (or any) forms of tourism development that the industry proposes or attempts to impose" (p.16). Given the importance of community opinions, views and desires for the acceptability of

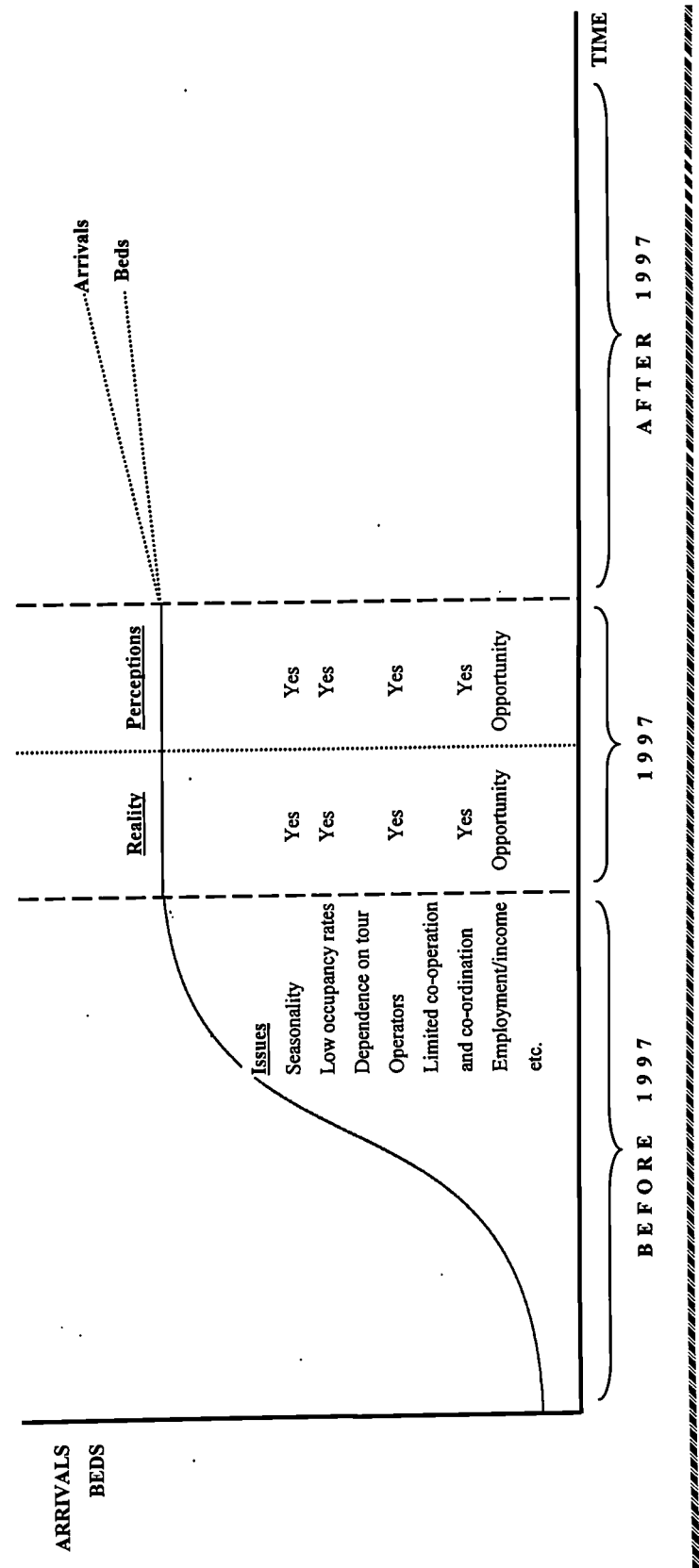
tourism and tourists, the survey of the three community groups (residents, local authorities and businesses) was undertaken in 1997.

Among the three study groups the business sector and the local authorities have long been involved in tourism development, while residents are destined to live with the outcomes of tourism development and planning, and the decisions taken by the other two groups. By studying the three groups' perceptions of tourism development, it was attempted to identify their acceptability of tourism, in order for guidelines to be provided for the future tourism development of the island.

Although subject to some limitations, mainly a small budget and limited time, the study revealed the preferences of the community. To generalise the results of the survey, it is clear that residents, local authorities and the tourism business sector are in favour of tourism, with controlled and planned tourism development not only accepted, but also generally encouraged. Nevertheless, although most of the impacts perceived by the study groups matched the reality, there was a case where the community was not aware of significant infrastructural projects (e.g. airports, ports, marinas etc) undertaken on the island. On the other hand, although during the early stages of tourism evolution many social costs were profound (Basil, 1964), social costs associated with tourism development were not mentioned often by the respondents of this study, perhaps because today many of the locals have adopted a life style similar to that of incoming tourists.

In Chapters Four, Five and Ten, this study investigated the period before 1997, from the exploration to the maturity stages of tourism evolution. However, there is a difficulty in graphing a resort cycle curve for the island based on tourist arrivals or number of beds because of limited data. Nevertheless, since the evolution of the island's tourism industry presents many similarities with Butler's (1980) life cycle model, as found also by Kousis (1984) in Drethia, Figure 11.1 hypothesises that for the period up to 1997, the resort cycle curve for Crete will approximate Butler's resort cycle model.

Figure 11.1: Hypothetical life cycle for Crete – Reality and perceptions of the community



This study has been concerned so far with the history of the island, with little (if any) reference to its future. However, the reason for this study for investigating the reality and the perceived tourism impacts of the community was to provide an input into the future of the island's tourism industry. Therefore, the following sections will be concerned with the future of tourism on the island, providing recommendations for the development of the island based on what has happened (reality) and what people perceive has happened.

Before doing this, it is important to identify the options that exist for the development of a destination. For these options, different tactics are possible: dealing with perceptions; dealing with reality and when there is a concurrency of reality and perceptions, either to address the problem (if any) or to build on the positive. Additionally, there may be cases where problems may or may not exist, but the community believes that there are opportunities to take advantage. Table 11.1 summarizes the six options and provides policy implications for each of them.

Table 11.1: Development and planning / reality, perceptions and policy implications

Options	Reality	Perceptions	Policy
1.	No problem	Problem	Change perceptions by educating the local community
2.	No problem	No problem	Build on positive
3.	No problem	Opportunity	Exploit opportunity
4.	Problem	Problem	Provide solutions to the problem
5.	Problem	No problem	Inform the community about the problem and highlight attempts for its solution
6.	Problem	Opportunity	Solve problem - exploit opportunity

11.2 IMPLICATIONS - RECOMMENDATIONS

The need to suggest recommendations and policy implications for an on-going planning and development process of tourism in Crete is evident. The future of tourism development in Crete, as in many other destinations world-wide, is dependent of the acceptability of local residents, businesses and the officials. A destination may have the necessary conditions for expansion of the industry but they will not be sufficient without local community's acceptability. This is evident

from an article in the Guardian (2000) related to the adoption of Europe's single currency by British citizens:

Pressure is building up on Tony Blair to lead from the front and embark on the herculean task of persuading a majority of British people to support adoption of Europe's single currency. It looks impossible since 70 percent of the public is against it... What is needed is not focus groups but good old-fashioned political leadership. Officially, the government says that the decision will be put to a referendum in the next parliament if the economy passes five tests. In reality these tests are neither a necessary nor sufficient reason for joining. Not sufficient because if all the tests were passed but public opinion is overwhelmingly against it is unlikely that the government would push ahead. They aren't a necessary condition either because if they were not fulfilled but public opinion was overwhelmingly in favour the government would probably go ahead anyway (p.15).

To achieve acceptability of the host community of tourism and tourists, the following recommendations are proposed.

11.2.1 Community involvement in the development and planning process

Woodfrey (1993) suggests that the involvement of the local community in the development process is a prerequisite for sustainability. Residents acceptance of tourism development is considered important for a destination's long-term success of tourism, since if tourists are greeted with hostility their numbers will decline (Ritchie, 1988). As Lankford and Howard (1994) indicate "local governments and tourism promoters should lay particular emphasis on the finding that if people feel they have access to the planning/public review process and that their concerns are being considered, they will support tourism" (p.135). A comparison of reality with the results of the primary research finds that acceptability of the local population of the industry is high (with limited exceptions), but there were signs of only limited involvement of the local population in decision-making. Therefore, attempts should be made to ensure that the aspirations of the locals for their community and its future development are integrated into the determination

of development objectives, policies and plans. Through greater community involvement, it is assumed that the local population can gain more benefits, adverse socio-cultural impacts can be lessened and the quality of services provided to tourists can be improved.

A systematic analysis of local opinions and perceptions can play a vital role in tourism policy formulation. Only through a continuous dialogue between community groups about tourism costs and benefits and the desired future strategies of tourism development, can a consensus on development policies and programs be assured in the long run. All community members have to realise that they will not *lose out from tourism development and that through collaboration* and co-ordination, benefits will increase more, than if differing objectives are set. Similarly, the private sector and the local population should understand that government may be obliged to prevent developments which will bring economic benefits in the short-term in order to achieve sustainability in the long-term. However, bearing in mind the limitations of community participation such as increased costs and delays in plan implementation, the structure of the Greek Government and the centralisation of public administration in Athens it may be the case that few things will change in the near future.

11.2.2 Education, training, awareness raising

The community survey and the investigation of the tourism development and planning process undertaken in this study have shown that although some problems exist, the local population has expressed positive attitudes towards tourism development. Therefore, it is proposed to build on the positive. Authorities should promote the positive attitudes of the local community to incoming tourists as a competitive advantage of the island's industry.

Nevertheless, opinions can change. "This can mean that past supporters of tourism may become opposers" (Ryan and Montgomery, 1994, p.369). Therefore, efforts should be made through education, awareness raising and enhancement of the

social welfare, to ensure that the support for tourism will continue in the long-term. Issues to be addressed should include the economic benefits of tourism for the island and the incentives that tourism provides for the conservation of cultural and natural resources that may not be supported by the local community. Attempts should be made to help the 'Socially and Environmentally Concerned' and 'Economic Sceptics' segments to understand the significance of the tourism industry for the island and to educate them about the many positive impacts that tourism brings to the destination. The ways to achieve this are through educational programmes, public meetings, workshops and advertising campaigns in the mass media, schools and various community organisations, e.g. environmental, religious, youth, cultural and traditional organisations.

The reality and the primary research show evidence of insufficient/low quality provision of services. To achieve greater visitor satisfaction, businessmen and local authorities should show greater concern for customer needs. Only if there is customer care assurance through better provision of services and hospitality, will there be an increase of tourist spending, length of stay and repeat visits. Training should be provided, as well as information and leaflets should be distributed to entrepreneurs, tourist employees and civil servants with guidelines on how to improve services and products offered to tourists. Due to the high competition faced by tourism enterprises, service quality has been recognised as an essential element of the tourist product by some enterprises (e.g. Greccotel) and it is believed that more enterprises will follow their example in the future.

The reality and primary research revealed that many managerial positions are held by expatriates. With the investments currently undertaken or proposed, many new positions for specialised professions, e.g. alternative forms of tourism, will be created. One aim of development is to create jobs for the local population. In order for tourism jobs to be occupied by the indigenous population rather than outsiders, there is a need for effective educational and training programmes and instruction seminars. However, the freedom of EC nationals to enter the island and work in its tourism industry and the illegal arrival of non-EC nationals may mean that job opportunities in the future for outsiders will increase.

Many of the residents used in the sample were not aware of the contribution of public sector bodies to the tourism development of the island. In particular, although the reality indicated that many infrastructural projects are under way, the community frequently complained about insufficient provision of infrastructure by the public sector. Therefore, public sector bodies should inform residents about the actions they undertake for tourism development and the positive outcomes of their activities for the host community's life. Thus, inaccurate perceptions can change, the dissatisfaction expressed by the local community with actions undertaken by the public sector may be reduced and consensus towards policies and planning initiatives may be achieved. Consequently, the support of the community to the actions of the public sector may be increased.

11.2.3 Better use of existing resorts and future focus on small-scale development

The concentration of tourist supply in existing tourist resorts has some obvious advantages because infrastructural investments in just one centre, keeps tourism problems to these areas, permits greater use of existing infrastructure and creates economies of scale by requiring a smaller level of infrastructural investments. However, in the existing developed resorts and urban centres of the island no new accommodation is required, as existing establishments already possess a supply well in excess of demand. As a result, any growth in the supply of accommodation may further reduce the occupancy rates and may have detrimental effects on the already saturated environment. Therefore, for existing resorts the focus of tourism policy should be on the best use of existing establishments, rather than building new ones.

Nevertheless, as the investigation of the tourism development and planning process and the community survey suggested, the tourism product of these areas requires the enhancement of various types of facilities (shopping, recreational, sport, leisure, gambling and conferences centres and infrastructure) in order to meet existing and future demand. These facilities should be compatible with the

aim of sustainable development in order to avoid further degradation of environmental resources. Entrepreneurs should be encouraged by the Greek Government through various incentives to improve the standards of the tourist services, upgrade amenities and construct a range of facilities that will bring distinct benefits to the areas. The review of past incentives given by Development Laws and the opinions of some respondents suggested that the public sector has neglected small enterprises. Therefore, future investments should not only be directed to large enterprises but also to smaller, as long as they contribute to the enhancement of the tourism product.

Residents of the less-developed areas of the island may think that the control of tourism expansion in their areas will harm the goal of the economic revitalisation of their communities. In addition, from the business survey, it emerges that larger AEs tended to import managerial labour, compared to small and medium-sized establishments and that linkages for purchases of supplies from the local economy by large establishments fall dramatically, where smaller and medium-sized establishments tend to purchase locally. To increase benefits from tourism through higher participation of local investors in development, create employment opportunities for locals and reduce leakages from future developments, more small-scale tourist facilities and tourism centres should be developed, in the underdeveloped southern and inland areas of the island.

“Local entrepreneurs of small enterprises can, with modest outlay, contribute considerably to economic growth because they supply smaller markets, demand relatively small amounts of capital, use local resources and raw materials and do not require costly and sophisticated infrastructure” (Gannon, 1993, p.54). Therefore, as Ioannides (1994) has proposed for Cyprus, future small-scale developments in Crete may appear in the form of tourist villages, incorporating small traditional hotels or bed and breakfast establishments, restaurants, shops and various recreational, leisure and sport facilities, owned by local entrepreneurs under a shareholder scheme. Visitors in these villages can be regarded as ‘paying guests of the local community’. For the distribution of tourism to these areas, construction of infrastructure is necessary. Nevertheless, the incentives given by

the last Development Law (2601/98) and the responses of some interviewees show that the intentions of the Greek Government are directed to an increase in the number of large establishments leaving smaller enterprises without any help and giving less chance for the implementation of the above recommendations.

11.2.4 Controlled growth and conservation of resources

As it was evident the community is open to accept an increase in the number of tourists. The investigation of the tourism development and planning process has also shown that the island's capacity has not been reached. Therefore, a small increase in the number of tourists should be allowed (as Figure 11.1 illustrates) in order to increase the occupancy rates of the existing AEs and to attract customers for the proposed new small-scale investments. However, the island has many areas of ecological and environmental sensitivity or natural beauty that are its major attractions. Since the attractiveness of these areas depends upon their ecological balance, it is of the utmost importance to ensure environmental conservation by special legislation. Although, all tourists have an impact on a destination, alternative tourists are considered as low-impact (Krippendorf, 1982). Therefore, in these areas, alternative forms of tourism, such as eco-tourism, trekking and bird watching should be promoted. No building or any other types of development that destroy the unspoilt environment should be allowed. Sensitivity of local communities towards the preservation of the natural resources should be ensured through public information campaigns and the introduction of environmental courses into the curricula of schools. A series of car parks, trails, guided walks and signs should be provided to encourage environmentally-friendly activities with control and regulation of visitor viewing and activities. Likewise, more incentives for environmental conservation, such as biological cleaning, water and marine parks, green areas etc, should be given through European Community (EC) funding. For example, two unexploited coastal areas, the Agii Apostoli in Chania owned by the HNTD, and the ex-American base in Guves owned by the Ministry of Defence, could be transformed to green areas or thematic parks.

Any type of growth based on archaeological and cultural richness should be adjusted to their architectural, cultural and historical identity. Tourism should be developed and operated so as to promote conservation of archaeological sites and historic places, and revitalisation of the desirable aspects of traditional cultural patterns and arts, all of which represent the historic and cultural heritage of Crete. Priority should be given to their preservation and regulations should be applied to this end. Conversion of traditional or preservable buildings into hotels or for any other type of touristic use, e.g. restaurants, museums, cultural centres and traditional workshops, could be allowed under the condition that preservation will be ensured. Since archaeological and historical sites are major attractions for tourists, admission fees can cover the cost of investments for their enhancement and preservation. However, since governmental funding is limited, and the actions undertaken for environmental and cultural conservation and revitalisation are often contradictory, there are not many signs than any of the aforementioned recommendations will be adopted in the near future.

Since the local community perceives that there is limited control of the industry, something that is true, in order to avoid the mistakes of the past, the development of new destinations should not be based only on economic considerations but on environmental and cultural conservation and continuous and unprejudiced control. Only then, will these investments be environmentally-friendly, directed to the attraction of alternative and cultural forms of tourism and inspired by the local culture and architectural tradition. Therefore, mechanisms should be introduced to curb illegal building, the operation of unlicensed enterprises, as well as any kind of illegal transactions. For example, HNTA officials and local tourist authorities should visit tourist enterprises and inspect the standards of products/services offered and to see if they comply with regulations. An agency should also be established, responsible for the inspection of the conservation of environmental and cultural resources.

For the achievement of the above the development process needs to consider application of specific socio-cultural and environmental control measures in order to assure that no problems will result from future development. There should be

an environmental plan which will be the prerequisite for the achievement of the sustainable development of the island. This plan should consider the saturated areas and each area's carrying capacity limits, as well as the consequences if these limits are exceeded. In addition, it should aim at better control of tourism development (e.g. control to avoid further ribbon development, environmental preservation etc), taking into account all existing and planned facilities and the cumulative effects on the socio-cultural, natural and built environment. Development incentives not contributing to product improvement or causing problems for the island should be removed and disincentives, e.g. high license fees, should be reinforced for the discouragement of developments incompatible with the strategies of product improvement, image enhancement and environmental conservation. Likewise, the government should introduce the principle the 'polluter pays' so as to force developers to become accountable for any environmental degradation they cause. However, the political costs associated with the adoption of many of the above control measures may be an impediment to a higher control of the tourism industry.

11.2.5 Elimination of the seasonality pattern / Dependency on tour operators / Increase of economic benefits

Both the reality and perceptions shared seasonality to be a problem of the island's tourism industry. Given the importance of the tourism industry to the viability of the island's economy, the profitability of many enterprises and employment and income creation, efforts should be made to extend the season. Attention should be given to the existing plan, mainly to its implementation stage, since past evidence shows that although many plans have been designed for the development of the island, most of them have not been implemented (Komilis, 1987).

Nowadays, the number of older people going on holiday is increasing. This demographic change of future tourists means that the senior citizens segment represents an untapped opportunity for the island. Demand for conference/incentive travel is also increasing and efforts should be made for the

attraction of these types of tourism. Appropriate incentives should be offered to attract conferences in winter and spring months, in particular in the existing large-scale AEs. Cultural and alternative forms of tourism should also be promoted. The rich environmental and cultural resources and the good weather (limited rainy days every year) can help in this end. For example, trekking holidays in the numerous forest trails of the island could reduce the seasonality characterised by the sun-seeking type of tourists.

A target of four markets: senior citizens, conference/incentive travel, cultural and alternative tourism offers an opportunity to the island for a more even seasonal pattern of tourism activity (the elderly tend to travel during low season periods and conferences are organised year round); increased tourist spending (conference delegates and early retired are regarded as big spenders) and distribution of tourists to the new tourist villages (cultural and alternative type of tourists tend to demand places with less tourism concentration).

However, seasonality depends on the availability of tourist attractions and services. Therefore, attractions and services outside the main summer season should be created or be available off-season. A significant opportunity for out-of-season tourism could be achieved in the largest cities of the island, where 'multi-season' attractions could be promoted through the organisation of cultural activities related to local circumstances. However, increased marketing activities are required from the authorities, such as promotional campaigns for off peak seasons, lower off peak prices, business and sporting events.

A major problem identified in this study was the control of the tourism industry by foreign tour operators. To eliminate this problem, the Cretan owned Charter Company, Air Greece, can be utilised to control a share of tourist flows to the island and reduce, to an extent, the monopolistic powers of the large tour operators, by selling the tourist package to tourists. In effect, an instrument for a more even dispersal of tourist arrivals in Crete can be achieved, by establishing regular charter flights from the major tourist generating countries, reducing the leakage of money to foreign airlines and allowing a higher import of foreign

exchange. Concurrently, the position of the island when competing with other tourist receiving destinations, which have established airlines, could be enhanced.

To enable the transfer of information between bodies and individuals interested in the purchase of tourist services and products, the establishment of a central reservation system is necessary. This system can be available on computer terminals at the HNTTO offices in Greece and abroad, as well as local offices. The Internet should be used for the provision of information to the travel market and to allow potential visitors to book accommodation, excursions, tourist attractions and events on-line. An over-dependence on Western European markets for a significant proportion of tourist traffic is evident which implies that the island runs the risk of reduced foreign exchange through tourism, if there is a fall in demand from such markets. Therefore, there is a need through promotional campaigns to attract other markets, than the Western European ones. For example, since TEI (1998) found that Russians spent the highest amounts of money during their stay, the share of this market in total arrivals should be increased in order to increase economic returns to the destination. This is potentially easy since there is a high demand by Russians to visit Greece and the only impediment to this is the difficulty of visa issuing. Easing of visa issuing to Russians may bring encouraging results.

There were some evidence that the island attracts the low spending markets and therefore owners/managers and residents argued that in order to increase the economic benefits of foreign exchange, the island should attract higher-spending tourists. The spending power of tourists attracted to Crete is directly related to the quality of the services offered and advertising. Crete has to improve the quality of services and use better advertising in order to attract higher spending tourists. The rich cultural and environmental heritage of Crete properly promoted could lead to a competitive advantage in the battle of the Mediterranean destinations to achieve a high portion of the high-income tourist market.

Although the island has a well-established tourism industry, the product is limited compared to the product provided by competitive destinations (Anagnostopoulou

et al., 1996). The narrow range of entertainment, recreational and sport facilities indicates high vulnerability compared to competing destinations offering diversified products tailored to specific tourist markets, and it exhibits a continuous over-reliance on the sun-sea-sand segment of the market. Therefore, it is important to re-design the tourist product so as to create a greater avenue for visitors to spend their money. Developments that generate higher tourist expenditure in entertainment, recreation, shopping etc., and organisation of festivals, cultural and sport events should be encouraged in the existing resorts and urban centres of the island. The use of differentiation strategies is essential in order to enhance tourist satisfaction, strengthen the island's competitiveness and in general provide a uniquely formulated product.

Agriculture has expanded substantially to serve the tourist industry of the island. As a result, a high share of agricultural production is consumed by the island's tourism industry. However, past research (Papadaki-Tzedaki, 1997) and the current study have shown that linkages with other sectors of the economy are limited. Mechanisms for increasing the linkages between tourism and other sectors of the economy should be created. Local authorities should encourage tourism enterprises to use local materials and employ the local population. At present, most souvenirs sold on the island are made elsewhere. As a study by ATLAS (1997) shows incoming tourists demand local production. If profits from tourism are to remain in the community, efforts should be made by the government and the local authorities to encourage the production of folk art, ceramics, weaving, woodcarving and jewellery. By doing this, leakages will decrease and higher linkages between the tourist industry and other sectors of the economy will be created.

11.2.6 Stable tourism policy and co-ordination of activities

From the responses of the study groups and the investigation of the tourism development and planning process, it was evident that there is a lack of co-ordination between private and public sector activities. Until now, the

administrative structure of the tourism system in Crete has not involved the local community adequately or early enough in the planning process. Consequently, policies very often fail in their implementation, resulting in adverse effects for the island and its population (Anagnostopoulou et al., 1996). Without the inclusion of the local community in decision-making, and sufficient collaboration of the private and public sector bodies, planning has little hope of long-lasting success.

All community members should realise that the benefits from working together are much greater than pursuing individual objectives. Local community and public and private bodies should work to design an integrated autonomous (Cretan) tourism policy, although in accordance with national and EC policy. Consultation mechanisms that empower a representative sample of Cretan community members to affect decision-making may help to this end. This requires discussions with representatives of both commercial and community interests and academics in order to establish a multi-disciplinary team of experts on the island, so that a co-ordinated master plan to be formulated. This plan should be directed towards the elimination of negative tourism impacts, better use of EC funding and the reinforcement of measures for the balanced development of the island.

To achieve the above the establishment of the Tourism Company offers hopes. In order the Company to bring optimal outcomes it should be an autonomous organisation, relying on Greek Government only for grant aid. For a more competitive tourist product, the Tourism Company should act as an ongoing network for communication between the private sector, government agencies and local community, by embracing all tourism interests and allowing a consultation mechanism that will be able to provide help for tourist problems. The Tourism Company should be committed to working together with EC, local communities, and the public and private sector, to the mutual advantage of the island and its population. Only then will implementation approaches be tailored to local circumstances and local, regional, national and European policies. However, since the funding of the establishment and running of the Tourism Company is relatively low and there is a high intervention of the central government in its actions the success of the Company is questionable.

11.2.7 Planning - monitoring - timing

To sum up, it is essential to note that none of the aforementioned recommendations is sufficient alone. The Cretan tourism industry has many opportunities for expansion, but also faces serious problems and various attempts are required to tackle them. There is a need to draw up a plan for tourism development, backed by the whole community in order to achieve the optimisation of benefits, maximum efficiency of available funds and minimisation of costs. It is imperative for this plan to clarify the goals, strategies, means and bodies of implementation. Tourism is a dynamic activity and does not function in a vacuum, but in an environment where at any time conflicting interests and changing circumstances can detect the development process (WTO, 1998). Thus, continuous monitoring and reassessment of the international, national and domestic factors affecting tourism development in Crete are necessary.

The above recommendations need a time plan. In the short-term, emphasis should be on the completion and/or improvement of existing infrastructure, construction of more infrastructure and small-scale AEs in the large villages, designing various plans for marketing, education and training, environmental management, and better use of existing facilities. Marketing should be mostly targeted at existing market segments until some product improvements are made. In the medium-term, the aim should be on the implementation of the plans and marketing should be directed particularly at attracting new market segments. Over the longer-term, the strategy should build upon previously established initiatives, completing and monitoring plans and making any necessary changes. When the product has advanced, new markets can be targeted and the island can be promoted as a major world tourism destination. However, limited funding, current tourism policy, bureaucratic and organisational difficulties and centralised administration leave few hopes for the implementation of many of the above recommendations.

11.3 FUTURE RESEARCH PRIORITIES

Although this study has provided insight into community perceptions in the tourism development and planning process and gave proposals for the further development of the island, research is needed to substantiate further the findings of the present study.

If one of the goals of tourism development is to achieve sustainability, future research should be directed towards the impacts of tourism development on the local community. Although there are many studies examining the residents' perceptions of tourism impacts and the stages of community transformation from tourism development, most studies have not placed emphasis on changes in local community attitudes at the different stages of development.

Most past research (Belisle and Hoy, 1980; Allen et al., 1988; Davis et al., 1988; Ap, 1990; Mok et al., 1991; Allen et al., 1993; Evans, 1993; Getz, 1994; Johnson et al., 1994; Ryan and Montgomery, 1994; Seid, 1994; Madrigal, 1995; Akis et al., 1996; Carmichael et al., 1996; Hernandez et al., 1996; Lawson et al., 1998; Ryan et al., 1998; Snaith, and Haley, 1999; Chen, 2000; Mason and Cheyne, 2000; Tomljenovic and Faulkner, 2000) is concentrated on the investigation of residents' perceptions of tourism ignoring the perceptions of other community groups. The opinion survey carried out for the purpose of this study was restricted, for time and financial considerations, to the local authorities, residents and business sector. However, there is a need to collect information from more stakeholder groups. Tourism development directly or indirectly involves the support of many community groups, such as non tourism-related entrepreneurs and managers, tourism employees, tour operators, consultants, airline operators, national government and transportation experts, whose attitudes should be incorporated into future developments.

Any study of local community perceptions of tourism development must consider differences in perceptions within the community. As Phillips (1994) states communities are not fixed in their attitudes, nor are they likely to share identical

attitudes and therefore it is essential to identify the factors affecting their attitudes. This study has examined eight possible types of segmentation: city, length of residence, employment reliance, income, age, gender, education and clustering. The segmentation of residents identified considerable uniformity of opinion. Further segmentation using additional variables is needed. For example, birthplace, residents' involvement in tourism decision-making and residents' image of their region. Similarly, despite attempts to investigate local community perceptions of the role of public sector bodies in tourism development, there is a need for further research into this subject, since support for the local or national government and voting/political preferences, may be explanatory of attitudes towards tourism development.

Similarly, in any study of tourism enterprises, categorisation would be helpful, in order to investigate any variables that explain enterprises' characteristics and development patterns. This study used three categories: size of AEs, sector and location. Further categorisation could be undertaken on the basis of organisational structure (e.g. partnership or sole proprietor), business motives (e.g. profit orientation, supplementary income, community service), local or foreign ownership/management and number of employees.

Past research into Cretan community perceptions of tourism development is limited and focused on single aspects of tourism, e.g. family change through tourism (Kousis, 1984; 1989) and the social impacts of tourism (Tsartas et al., 1995) and have made no attempt to examine community perceptions of the overall tourism environment. Other studies (e.g. Greger, 1988; Herzfeld, 1991) were concerned with changes resulting from the overall development of a Cretan community and investigated tourism as a factor of change among others in the development process of the destination. Most of the existing research has been conducted in one community or region of the island without providing any statistical evidence of their findings. Only Tsartas et al. (1995) provided some statistical evidence by conducting interviews in more than one community. However, these communities were not spread throughout the island, but were located in Lassithi Prefecture.

This study is among the first attempts to investigate various aspects of tourism development (social, environmental and economic) as perceived by community groups. The sample used for this study was a significant improvement over past attitudinal studies in Crete, examining community groups from 16 areas of the island, more evenly distributed throughout Crete. However, due to various constraints, these areas are not representative of all Cretan communities, since the study areas were concentrated in the northern part of the island which is relatively dependent upon tourism. Given the importance of the host community to the goal of tourist satisfaction, there is a need for research into local community attitudes of areas with varying levels of tourism development throughout the island in order to investigate the extent of tourism development diffusion and its outcomes for these areas.

Development and its effects are a dynamic process. Therefore, the effects of tourism today do not necessarily reflect the impact several years later. A longitudinal study of the same community groups in five to ten years time will be appropriate to see if the perceptions of the community members have changed and if tourism development has increased problems or benefits. Regular monitoring of community attitudes could provide information on the needs, views and desires of host communities. A system of collecting longitudinal data should be established in order to monitor any changes in local community's perceptions and support for tourism development. If developers and planners are aware of the community's perceptions of tourism impacts, they may be able to take action aimed at increasing the community's welfare and anticipating any resentment towards incoming tourists. Similarly, there is a need to establish a permanent system of monitoring and reviewing a representative sample of establishments to provide up-to-date information on potential changes. By collecting data on the operational characteristics of enterprises, the efficiency of tourism policies for the welfare of enterprises can be realised.

On the supply side, through the investigation of community attitudes and desires for tourism development this survey can help developers and planners to identify a community product as suggested by the local community. However, a dilemma

may arise. Does the product match the aspirations and expectations of tourists? Given the challenges which tourism faces in the near future, there is a need to link this research of supply with surveys that describe demand characteristics through visitor surveys. Tourist-generating countries exhibit considerable variations in their socio-economic structures which critically influence their spending power and the tourist goods and services they are likely to buy. There is a need for answers to questions such as: Who are the tourists? Why do they come? What do they do during their stay? How satisfied are they with the island's tourism product? Replies to these questions are essential, to underpin effective tourism development policies and strategies, produce more effective promotional campaigns and find out the types of tourists that better meet the development objectives of the island.

Although, the island attracts thousands of tourists every year, bringing various impacts to the island, *not many surveys have been carried out investigating* various aspects of tourism development which parts of this study sought to address. In particular, little research has been done on the economic effects of foreign tourism on the island, e.g. multiplier effects, direct and indirect effects of foreign tourism on income and employment, as well as environmental impacts. Carrying capacities of tourist areas have not been specified. In order to identify the number of tourists to be attracted without any further degradation of the environmental and cultural resources, further research should determine the carrying capacity of each site.

The idea of community representation in the development and planning process has been touched on frequently in this thesis. The data presented in this study shows clearly that the investigation of the outcomes of the tourism development and planning process and the perceptions of the local community can contribute to the development of a destination by identifying community's needs and desires. Various techniques are available to incorporate community groups in the development and planning process. The technique adopted in this thesis was personal interviews with three study groups. There is a need for future research to use other mechanisms to solicit community opinions, such as public meetings,

focus groups, nominal group techniques, and drop-in-centres, in order to test their efficiency in the tourism development and planning process.

11.4 CONCLUDING REMARKS

Despite some negative consequences arising from the unplanned evolution of tourism in Crete, the island has many unspoiled beaches, perhaps among the last in the Mediterranean. Many areas, mainly in the underdeveloped coastal southern part of the island and the hinterland, have remained untouched by tourism expansion. The prediction is that tourism activity will expand further. Although the diffusion of tourism activity to more areas of the island will further increase the economic benefits, there will be further exploitation of resources and a subsequent increase in negative environmental and social impacts. To avoid or at least minimise potential problems from the future tourism expansion of the island, there is a need for careful planning, financing, and policy implementation, as well as incorporation of the local community perceptions into the development and planning process in order to ensure host acceptability of further tourism development.

The methodology used in this thesis can be thought of as a process for reinforcing positive outcomes and solving problems through the investigation of the reality and community perceptions. The process used is comprehensive and integrated and proceeds from the investigation of the tourism development and planning process to specific strategies and recommendations. It has been adapted for communities of the island of Crete, which have an already established tourism industry. However, tourism dynamics vary from destination to destination and each community may need to adopt its own response to development, since a similar process can result in different outcomes. In this sense, it is extremely difficult to make generalised universally-accepted proposals for tourist destinations. What is certain, is the significance of the tourism industry for the island and the islanders.

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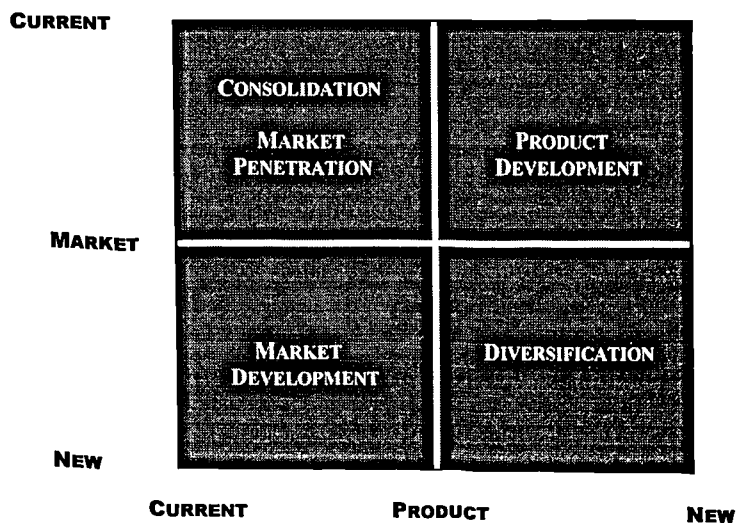
APPENDIX A: MARKET/PRODUCT STRATEGIC OPTIONS

Ansoff's Product Market Matrix (1965)

Ansoff (1965) developed a framework for the strategies of market and product development that a firm (or destination) can adopt in regard to innovations (Figure A1). These strategies can be summarised in four options:

- Selling new products/services to existing markets, although it is not certain that existing markets will be attracted by the new products offered. (The term new products/services can have two meanings: something new to the destination, even if it is already used in other destinations, or something that is completely new and innovative);
- Selling existing products/services to existing markets. For a destination the risk of this strategy will be that the number of tourists will be declining each year;
- Extending existing products/services for sale to new markets. Since the market is unknown there is a risk that the extension of the product will be inappropriate;
- Selling new products/services to new markets. This diversification is the highest risk that the destination can face, since it involves new unknown markets or market segments to be targeted in an attempt to develop new unknown products.

Figure A1: Ansoff's Product Market Matrix



Source: Ansoff (1965).

The Boston Consulting Group Growth-Share Product Portfolio (1970)

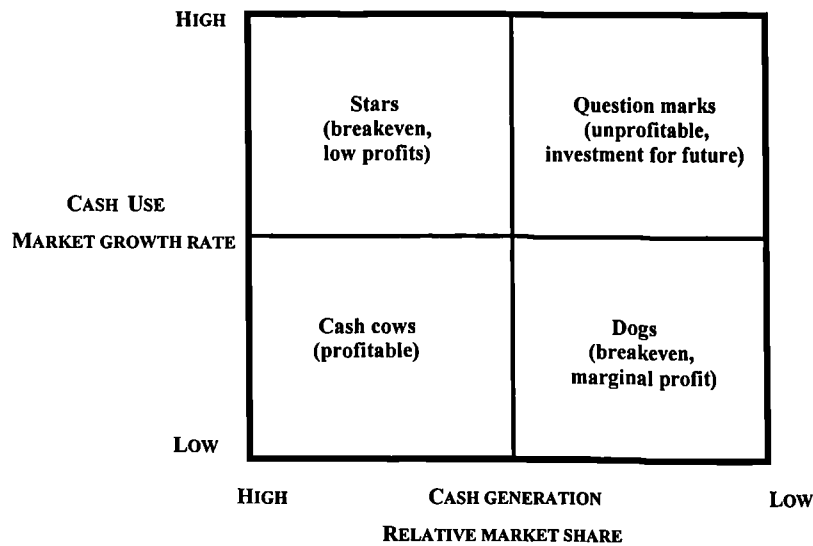
Henderson (1979), of the Boston Consulting Group, developed a matrix that suggests (Jauch and Glueck, 1988; Thompson, 1997, p.309):

- The margins earned by a product, and the cash generated by it, are a function of market share. The higher the market share is, relative to competitors, the greater is the earnings potential.
- Sales and revenue growth requires investment. Sales of a product will only increase, if there is appropriate expenditure on advertising, distribution and development; and the rate of market growth determines the required investment.
- High market share must be earned or bought which requires additional investment.
- No business can grow indefinitely.

The matrix shown in Figure A2 shows the composition of the axes and the names given to products:

- Stars are products with high market share in a fast growing tourism market having great potential and producing high returns on investments.
- Cash cows are products with a high market share in a slow growing market.
- Dogs are products with low market shares in a slow growing or declining market.
- Question marks are products with low market share in a high growing market.

Figure A2: The Boston Consulting Growth-Share Matrix



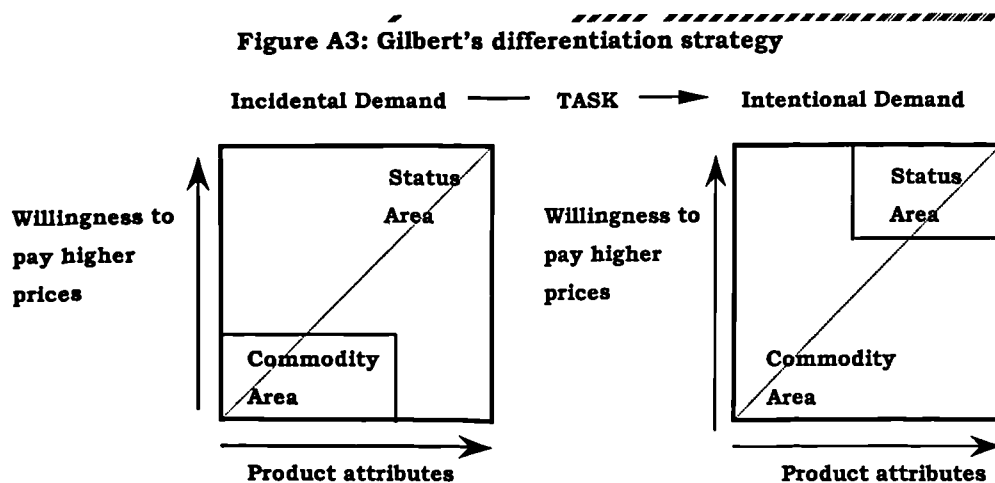
Source: Henderson (1979).

For each of the products in the portfolio, an appropriate strategy should be developed. As Heath and Wall (1992, p.85) suggest:

- Maintaining market share. Since star tourism products have a high share of the tourism market, the best strategy for these products would be to maintain or even improve their differential advantage relative to that of competing offerings, e.g. through investments in order to keep their advantage against their competitors.
- Building market share. This strategy is appropriate for question mark products in order to increase their relative market share and become stars and finally cash cows, e.g. through the improvement of the product.
- Harvesting the product. This strategy is recommended for products that do not have any potential to capture a large share of the tourism market. Therefore their aim is to drain the highest amount of cash before the final withdrawal of the product.
- Withdrawal of the product. In case the product is a dog or a question mark without any future potential, the best strategy will be the withdrawal of the product so as to reduce or prevent losses.

Gilbert's differentiation strategy

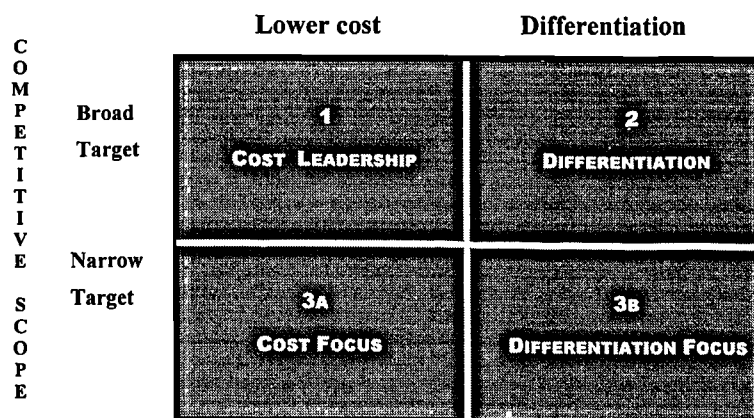
Gilbert (1984; 1990) suggests that destinations' inability to differentiate their tourism products has led into 'a product position of commodity'. In a commodity area, the destination is heavily substitutable, the consumer is unaware of the 'unique benefits or attributes' of the destination and tourist demand is totally dependent on price. Therefore, he proposes that destinations in order to achieve a competitive advantage have to move to a position of 'status area' (Figure A3). If a destination differentiates its product from its competitors and builds an image by promoting a new attraction and developing 'tourism product benefits', it will manage to add value to its product that will move it to the position of a status area. Thus, the task of moving demand "from being incidental to being intentional" will be achieved (Gilbert, 1990, p.25).



Porter's Generic Model (1980)

Porter (1980; 1985) developed one of the most widely accepted generic models of competitive strategy (Figure A4). He identified three generic strategies by which a firm (or in our case destination) might compete in the industry in order to create and sustain competitive advantage.

Figure A4: Porter's model of competitive advantage - The generic strategies competitive advantage



Source: Porter (1985).

Overall Cost Leadership Strategy. A sustainable cost advantage can be developed by destinations, over their competitors, through cost leadership, which does not imply that the destination will market just to the lowest market product or service in the industry. On the contrary, it aims to secure a cost advantage over its competitor destinations, price the product competitively and relative to how it is perceived by customers, and achieve high profit margins (Thompson, 1997). If this applies, destinations will earn strong profits while attracting consumers at lower prices. In this case, the perceived value of the product becomes the competitive advantage. Evans et al. (1995) reveal that “the success of this strategy depends on efficiency, economies of scale, tight cost controls, and high market share” (p.40). A government’s devaluation of the national currency in order to offer a variety of travel experiences at great value can be considered an example of an overall cost leadership strategy.

Differentiation Strategy: This is considered opposite to the cost leadership strategy for the reason that differentiation adds costs to the product in order to create extra value for which the buyer is willing to pay premium prices. Undoubtedly, differentiation must be pursued in conjunction with cost leadership (David, 1997). Porter’s logic for this strategy is that a destination will be an above average performer if the price premium exceeds the extra costs of providing differentiation (Tribe, 1997, p.110). A differentiation strategy should be directed at the creation of a unique product in relation to other competitive products, based

on product features, such as technology and quality, or on intangibles, such as customer service, marketing, or the design and image of the product. An example of a differentiation strategy is the Disneyland, Paris. Such an investment offered a competitive advantage to Paris, as an urban destination, through the existence of a unique product in the European tourist market.

Focus Strategy. While the two above strategies attempt to appeal to the whole industry, the focus strategy is directed towards a particular market segment and consequently this strategy serves this market segment better than competitor destinations. The destination “gets to know the needs of these segments and pursues either cost leadership or a form of differentiation within the target segment” (Kotler, 1994, p.84). If a destination chooses a focus strategy, the local government should select the most important focus segment around which the strategy will be built and develop the means to attract this segment (Evans et al., 1995). For example, there are destinations that choose ecotourists as their target market, and build strategies for the attraction of this market.

APPENDIX B: DEVELOPMENT LAWS

Tourism development in Greece is being promoted through incentives given from various laws:

- The early Laws 3213/1953, 3430/1955, 4171/1961 and 276/1969 were mostly concerned with the building of accommodation (Singh, 1984).
- The most important development law was Law 1262/1982. This law had the same direction as the previous ones, by giving incentives such as grants interest free subsidies, untaxable allowances, and extra depreciation, almost unconditional for the construction of new accommodation establishments, camping, spas, winter sport centres, and restoration of historical and/or traditional value buildings, in peripheral Greek regions and the borders (Papadopoulos, 1985). It is estimated that from this Law 701 Cretan tourist enterprises were subsidised with 22.7 billion GRD 18 percent of the national total.
- Because of problems having resulted from uncontrolled tourism development, Law 797/86 attempted to control development and upgrade the already developed tourist destinations. It declared areas with a high concentration of accommodation establishments as 'Areas of Controlled Tourism Development' where only high-class hotels can be constructed. Parts of these areas were declared as 'Saturated Tourist Areas' where no construction of accommodation establishments is allowed.
- Law 207/87 is concerned with the protection of capital investments and liberation of capital movement within the EC in order to attract foreign capital in Greek regions.
- Law 1892/90 provides five main types of incentives: grants, interest rate subsidies, tax allowances, increased depreciation rates and reduced tax on profits. Eligible for these incentives are tourist facilities, hotels, camp-sites, spas and winter tourism centres, among other. This law stipulates better incentives for investments in less developed areas, as well as investments aimed at protecting or restoring the environment.

- Law 2160/93 is concerned with the foundation, operation and inspection of tourist enterprises, casinos and marinas, the operational framework of the Hotel Chamber of Greece and the responsibilities and management of HNTG. It attempts to combat illegally operating hotel accommodation (parahoteleria) and black economy, and apply an effective policy of environmental conservation and consumer protection.
- Finally, the last Development Laws 2234/94 and 2601/98 are mainly concerned with the upgrading of tourist supply and the conservation of the environment through incentives for:
 - construction of accommodation establishments of B' and higher category under the condition that in the areas that the construction will take place, there will be a low concentration of accommodation establishments;
 - conversion of traditional or preservable buildings into hotels;
 - modernisation and extension of hotels of C' and higher category;
 - expansion, modernisation and construction of tourist infrastructure; and
 - establishment of integrated development tourist areas that will have the necessary infrastructure such as marinas, convention centres, golf courses, spas, and thalassotherapy centres.

**APPENDIX C: EXCHANGE RATES OF 1,000 GREEK DRACHMAS
(1991-1999)**

Year	US\$	British Pound
1999	3.5695	2.1228
1998	3.5256	2.1401
1997	4.0825	2.3846
1996	4.2185	2.7269
1995	4.1571	2.6589
1994	4.0136	2.7143
1993	4.6501	3.0714
1992	5.7061	3.0506
1991	6.3646	3.2943

APPENDIX D: EUROPEAN PROGRAMMES OF THE PAST AND PRESENT RELATED TO THE TOURISM DEVELOPMENT OF THE ISLAND

Integrated Mediterranean Programmes (IMP) - (1986-1992). These programmes were instituted in 1985 as a new kind of EC policy aiming to assist the socio-economic development of certain poorly developed southern regions in a co-ordinated manner (Pyrovetsi, 1989; EC, 1990). They were related to restoration of monuments, improvement and construction of infrastructure, roads, ports, marinas, water, telecommunications, health, publication and promotion of advertising material.

Regional Operational Programmes (ROP) – (1994-1999).

ROP is the most important EC programme for the development of the indigenous resources of the island and “its potential influence in the south-eastern Mediterranean by means of integrated development of the island’s economy, with the focus of optimising the respective strengths of the agriculture and service sectors” (EC, 1998b). The major aim Subprogram 2 of ROP is dedicated to support tourism and cultural activities. The Community co-finances approximately 16.8 billion GRD, 71.7 percent of the total investments, and the rest should be covered by the public and private sector. The sources of community funding for this programme are the ERDF, the ESF and the EAGGF. The projects have been undertaken from this programme, as well as the budgets for each project are shown in Table 4.12. In summary, the main measures of ROP’s Subprogram 2 include the improvement of infrastructure, the enhancement of cultural and environmental resources, the extension of the tourism season, the promotion of alternative forms of tourism and the improvement of professional training. Programmes for the tourism development of the island are shown in Table 4.13.

Table D: Subprogram 2 of Regional Operational Programmes (1994-1999)

Tourism and Cultural Development		
Measure 1: Tourism Infrastructures - Cultural Tourism		Budget (thousand GRD)
1	Harbour works in the coastal zone of Ierapetra	600,000
2	Complementary works for tourism enhancement of Agios Nikolaos port	1,000,000
3A	Agios Nikolaos - Elounda road connection	400,000
4	Fourne - Laki - Omalos road connection	500,000
5	Improvement - extension of Sitia airport	1,000,000
6	National road along Southern Crete (Lassithi part)	1,000,000
7	Marinas (Agia Galini - Rethymno - Malia - Agios Nikolaos - Paleochora)	4,200,000
8	Restoration of Chania historical centre	720,000
9	Restoration - enhancement of Archanes settlement	300,000
10	Restoration of historical monuments and buildings in Chania old town	800,000
11	Restoration - enhancement of Rethymno historical centre	800,000
12	Restoration of the historical centres in Ierapetra	200,000
13	Restoration of the historical centres in Sitia	200,000
14	Heraklio Municipality Conference centre	1,000,000
15	Modern monuments of Crete	400,000
16	Restoration - enhancement of Spinaloga venetian castle	305,000
17	Athletic events	380,000
	Not assigned	250,000
	Total of Measure	14,055,000
Measure 2: Services Management in Tourism - Culture / New forms of tourism		
1	Interventions along the E4 and the cultural itineraries	400,000
2	Projects for the extension of the tourism season	300,000
3	Tourism and Environment	300,000
	Total of Measure	1,000,000
Measure 3: Environment		
1	Enhancement of the east coast of Rethymno	600,000
2	Enhancement of Spinaloga	200,000
3	Biotopes Management (Lake Kournas, Island Chrysi)	315,000
	Not assigned	105,000
	Total of Measure	1,220,000
Measure 4: Training Educational Programme		
1	Professional Training	500,000
	Total of Subprogram	16,775,000

Source: Anagnostopoulou et al. (1996).

ENVIREG I (1990-1995) & II (1994-1999). Mainly concerned with the protection of the environment from human activities in sensitive coastal areas of the island.

INTERREG I (1989-1995) & II (1994-1999). Dealt with infrastructure, restoration, construction of conference and athletic tourist centres, cultural co-operation and promotion of agro-tourism (EC, 1998c).

LEADER I (1991-1993) & II (1994-1999). Directed to the preservation and enhancement of cultural heritage and the promotion of agro-tourism through surveys, seminars and provision of infrastructure. With these directions, attempts are being made to revitalise the population of the agricultural regions.

LIFE. Contributes to the implementation of EU environmental policy in Crete and deals with the finance of specific environmental actions.

CRETAN TOURNET. Concerned with the design of a network that will include all the tourist enterprises of the island (hotels, travel agencies, restaurants, museums, festivals etc.).

TERRA DIAS – TERRA LORE. Dealt with the underdeveloped central and southern regions of the island, paying attention to their environmental and cultural protection, their balance development and the elimination of any problems.

Various education and vocational training programmes such as COMETT, ERASMUS, PETRA, SOCRATES and LEONARDO DA VINCI for people involved in the tourism industry, with aim to enhance the quality and provision of services within the sector and stimulate the transnational exchange of experience.

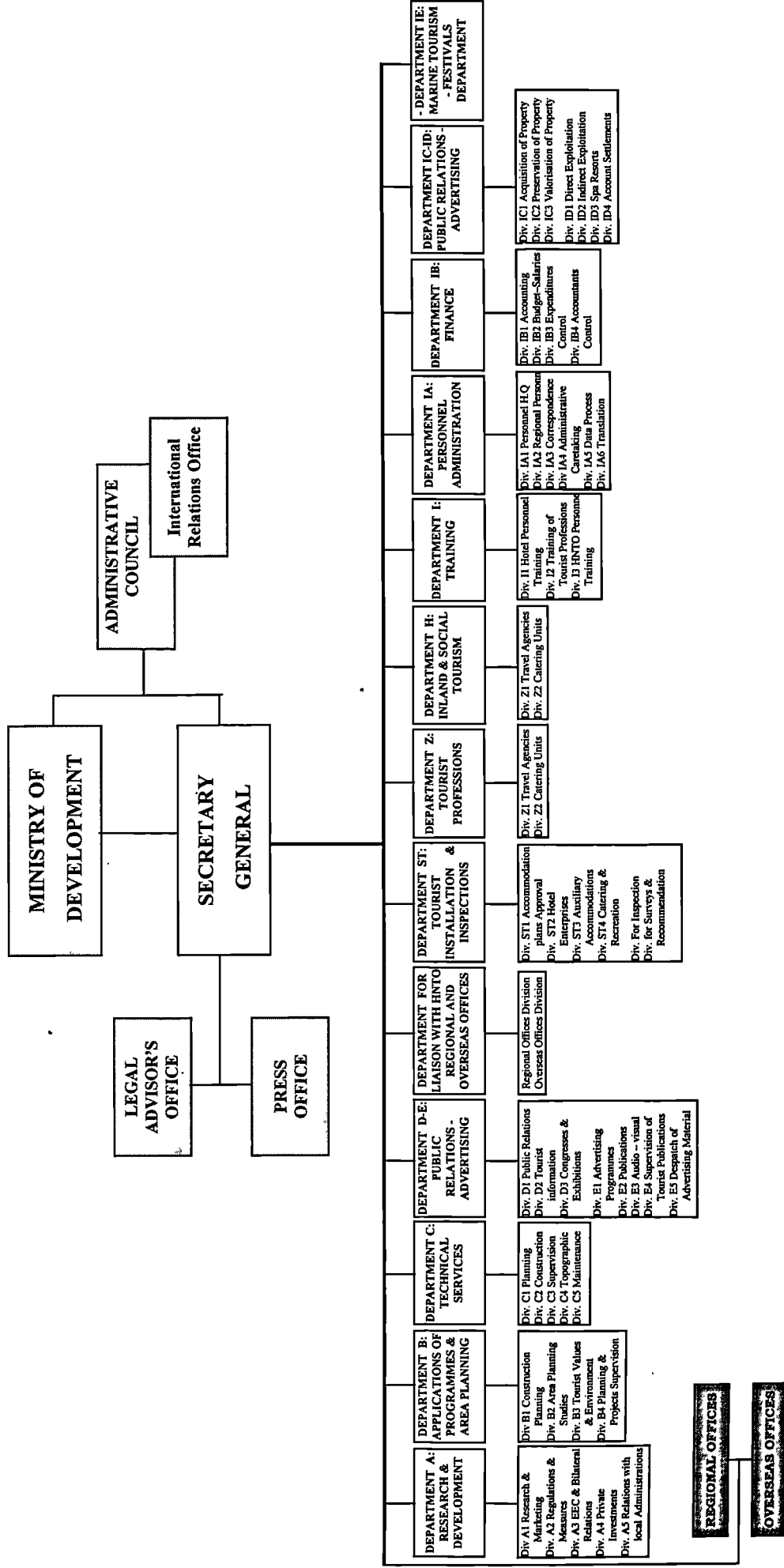
APPENDIX E: GREEK FIVE-YEAR PLANS FOR TOURISM DEVELOPMENT

- One of the earliest five-year plans for Economic Development 1960-1964 did not recognise the potential of tourism in any Greek region, since tourism was named as the third most important sector of the Greek economy, after agriculture and manufacturing (Kanellakis, 1975).
- Because of an increase in arrivals and the foreign exchange receipts the economic plan 1968-1972 viewed tourism as one of the most dynamic sectors of economic development (Ministry of Co-ordination, 1968). During this period Cretan areas in the Prefecture of Heraklio and Lassithi were seen as new tourist poles. As a result the construction of large hotels started, although investments in infrastructure did not keep in pace, leading to a continuous degradation of the environment (Konsolas and Zacharatos, 1992).
- The next five-year plan 1973-1977 viewed tourism as essential for the promotion of the general development policy of the country, as well as for environmental protection. Furthermore, it highlighted that, through tourism, demographic and social solutions could be reinforced for some underdeveloped areas (Konsolas and Zacharatos, 1992).
- The plan 1976-80 attempted to support local control by giving incentives to local investors and construction of small non-hotel units.
- The 1978-1982 plan recognised the problem resulting from the lack of national tourism planning and suggested the reinforcement of specific planning zones and restrictions for saturated areas.
- As a result, the 1981-1985 plan proposed the restriction of further tourism development in saturated areas, and it also supported the use of tourism for the development of underdeveloped regions.
- The five-year plan 1983-1987 attempted, as previous plans did, to increase local and public involvement in tourism development, through investments, where 56 percent was from public funds and 44 percent private (Leontidou, 1998). It was also focused on the development of new forms of tourism through provision of infrastructure, better advertisement and research, improvement of the tourist product, protection of antiquities and rehabilitation

of the environment (KEPE, 1985). In addition, it recognised “the need to obstruct the action of intermediaries and the tourist black economy” (Leontidou, 1991, p.100). Indeed, it aimed “to create a competitive and productive tourist sector; a balanced development of tourist activity spread more evenly throughout Greece; and to promote tourism appropriately in relation to other sectors of the economy” (Buckley and Papadopoulos, 1988, p.382).

- Finally, under the problems resulting from the concentration of many small and medium sized accommodation establishments, *the five-year plan of Economic Development 1988-1992* changed direction toward the promotion of “selective tourism in large hotels with additional services” (Leontidou, 1991, p.90).

APPENDIX F: HNTO ORGANISATIONAL STRUCTURE



APPENDIX G: PLANS DESIGNED EXCLUSIVELY FOR THE DEVELOPMENT OF CRETE

Apart from the national five-year plans contribution to the development of Greek tourism, there were other plans prepared exclusively for the island's development. Komilis (1987) reports that in the mid-sixties ten tourism development studies were commissioned by the Ministry of Co-ordination for the Island of Crete. However, none of them has been successfully implemented. A reason for this can be considered the limited public participation and the lack of consideration of the local community's needs in the drafting of the plans (Komilis, 1987).

The first Development Plans of Crete (1965-1975) is considered as one of the first attempts of regional planning in Crete. It did not recognise tourism as a leading sector in the development of the island but gave great emphasis to agriculture (Glikson, 1965). In particular, this plan highlighted evenly distribution of tourism development throughout the island and suggested the construction of tourism infrastructure mostly related to the building of accommodation establishments, road networks as well as landscape conservation.

Another study focusing exclusively in tourism was prepared by F. Basil Inc. (1964) commissioned by the Ministry of Co-ordination. This plan recognised the co-operation of the total population of the island together with the governmental agencies in order all the public and private investment to bear a return. According to this study the coast of the island was separated into 10 zones, each of them having "a number of tourist centres where the majority of all proposed installations would be concentrated" (Basil, 1964, p.105). From this plan, it is clear that tourism development was directed on "the idea of attracting as many tourists as possible, having them stay as long as possible, and inducing them to spend as much as possible" (Basil, 1964, p.103).

APPENDIX H: POLLING DISTRICTS AND ELECTORS (1996)

MUNICIPALITY OF HERAKLIO				MUNICIPALITY OF CHANIA			MUNICIPALITY OF RETHYMNIO		
Polling Districts	Population	Cumulated Population		Polling Districts	Population	Cumulated Population	Polling Districts	Population	Cumulated Population
Ag. Mina	7229	7229		Ag. Anargyron	2446	2446	Mitropoleos	1889	1889
Ag. Triados	17336	24565		Ag. Ioannou	6779	9225	Kyrias ton Aggelon	2872	4761
Ag. Titou	4239	28804		Ag. Konstantinou	7284	16509	4on Martyron	3142	7903
Ag. Dimitriou	1928	30732		Ag. Louka	6458	22967	Ag. Nikolaou	1454	9357
Ag. Georgios	11296	42028		Ag. Nikolaou Splantzias	3218	26185	Ag. Georgiou Kallitheas	1828	11185
Neon Bryoulon	2215	44243		Ag. Nik. Chalepas & Ag. Panteleimonos	3152	29337	Ag. Georgiou Perivolon	1724	12909
Fortetsas	1647	45890		Eisodion	2761	32098	Ag. Triados Platania	700	13609
Ag. Ioannou	3257	49147		Euaggelistrias	1945	34043	Galou	401	14010
Ag. Konstantinou	7901	57048		Total	34043		Total	14010	
Panagias	9727	66775							
Analipsis	3232	70007							
Total	70007								
Sampling interval	17502			Sampling interval	8510		Sampling interval	3502	
Random start	8751			Random start	4255		Random start	1751	

Notes: 1. Numbers in bold indicate polling districts selected for the survey.
2. Municipality of Agios Nikolaos had only one polling district with 5,264 electors.

Source: Ministry of Interior.

APPENDIX I: QUESTIONNAIRES

RESIDENTS QUESTIONNAIRE

No: Date:/...../ 1997
City:

Good morning/afternoon. I am carrying out a survey to enable me to complete my PhD thesis which examines the impacts of tourism in Crete and I would be very grateful if you would reply to the following questions to the best of your knowledge.

All the information provided will be treated in confidence and is to be used only for academic purposes.

SECTION A: PERSONAL INFORMATION

- R.1. A. Have you lived all your life in Crete?
1. Yes ☐ (Go to Question R.2) 2. No ☐
B. How long have you been living in Crete? _____ (number of years)
C. Where were you living before coming to Crete? _____
D. Why did you come to live in Crete? _____

R.2. What type of organisation do you work in? _____

R.3. A. To what extent do you think your job is affected by tourism?

Not at all	Very Little	Little	Average	Much	Very Much
1	2	3	4	5	6

B. If more than average, please specify? _____

R.4. Has your own family been affected by incoming tourism to Crete?

1. Yes ☐ Please specify? _____
2. No ☐

R.5. Of the following members of your family, which are involved in the tourism industry and in what capacity?

	Yes	No	Capacity
A. Spouse			
B. Parents			
C. Children			

SECTION B: GENERAL INFORMATION

R.6. Please give your opinion on the impact of tourism on each of the following:

	Very advantageous	Advantageous	Neutral	Disadvantageous	Very disadvantageous
	1	2	3	4	5
1. Your family					
2. The region's economy					
3. The Cretan economy					
4. Greek government incomes					
5. Employment					
6. Environment					
7. Social life					

R.7. A. Do you think that the local authorities contribute to the tourism development of your island?

1. Yes ☐ Please specify _____
2. No ☐ Why not? _____
3. Don't know ☐ _____

B. Do you think that the Hellenic National Tourism Organisation contributes to the tourism development of your island?

1. Yes ☐ Please specify _____
2. No ☐ Why not? _____
3. Don't know ☐ _____

C. Do you think that the Greek government contributes to the tourism development of your island?

1. Yes ☐ Please specify _____
2. No ☐ Why not? _____
3. Don't know ☐ _____

R.8. Would you like to see more development of Crete as a tourism destination?

1. Yes ☐
 - A. What types of tourism would you like to see? _____
 - B. What types of tourist facilities would you like to see? _____
 - C. What actions would you like to see for further tourism development? _____
2. No ☐ Why not? _____

R.9. What do you think the authorities should do in the future in order to improve the local economy?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
	1	2	3	4	5
A. Encourage greater numbers of tourists					
B. Encourage higher spending tourists					
C. Encourage tourists to visit Crete outside the main summer season					

R.10. I am now going to read out some statements. Please indicate whether you agree or disagree with them:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
	1	2	3	4	5
1. Our household's standard of living is higher because of the money that tourists spend here					
2. Tourism creates more jobs for foreigners than for local people in the region					
3. Tourism attracts more spending in the region					
4. Tourism attracts more investment in the region					
5. Prices of many goods and services in the region have increased because of tourism					
6. Most of the money earned from tourism ends up going to out of the region companies					
7. Non-Cretan-owned businesses are beneficial for the region's tourist industry					
8. Tourism benefits a small group of people in the region					
9. The money that tourism brings in is of benefit to the whole community					
10. There should be no government incentives for tourism development					
11. Non-residents should be allowed to develop tourism attractions in this area					
12. This community should control tourism development					
13. There should be a specific tax on tourists					
14. Tourism provides an incentive for the conservation of natural resources					
15. The construction of hotels and other tourist facilities has destroyed the natural environment in the region					
16. Tourism provides an incentive for the restoration of historic buildings					
17. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)					
18. Tourism has led to an increase in infrastructure for local people					
19. The overall benefits of tourism are greater than the costs to the people of the area					
20. The overall benefits of tourism are greater than the costs to Crete as a whole					

SECTION C: DEMOGRAPHIC INFORMATION

The following background questions are included to help us interpret your responses to other questions.

R.11. Gender

- A. Male ☐ B. Female ☐

R.12. Age _____

R.13. Education

- | | | | |
|---------------------------|--------------------------|----------------------|--------------------------|
| A. No formal education | <input type="checkbox"/> | B. Elementary school | <input type="checkbox"/> |
| C. Middle school | <input type="checkbox"/> | D. High school | <input type="checkbox"/> |
| E. TEI/KATEE | <input type="checkbox"/> | F. University degree | <input type="checkbox"/> |
| G. Postgraduate degree | <input type="checkbox"/> | | |
| H. Other (please specify) | _____ | | |

R.14. What is your job? _____

R.15. Employment status

- | | | | |
|---------------|--------------------------|--------------|--------------------------|
| A. Employed | <input type="checkbox"/> | B. Retired | <input type="checkbox"/> |
| C. Unemployed | <input type="checkbox"/> | D. Homemaker | <input type="checkbox"/> |
| E. Student | <input type="checkbox"/> | | |

R.16. Income

- | | | | |
|----------------------------|--------------------------|-----------------------------|--------------------------|
| A. Less than 3,000,000 Drs | <input type="checkbox"/> | B. 3,000,001-6,000,000 Drs | <input type="checkbox"/> |
| C. 6,000,001-9,000,000 Drs | <input type="checkbox"/> | D. 9,000,001-12,000,000 Drs | <input type="checkbox"/> |
| E. Over 12,000,000 | <input type="checkbox"/> | | |

R.17. Please feel free to make any comments.

Thank you for your time and attention!



TOURISM-RELATED BUSINESSES' QUESTIONNAIRES

No:	Date:...../...../ 1997
Name of Establishment:	
Position Held:	
Address:	
Telephone:	
City:	

Good morning/afternoon. I am carrying out a survey to enable me to complete my PhD thesis which examines the impacts of tourism in Crete and I would be very grateful if you would reply to the following questions to the best of your knowledge.

All the information provided will be treated in confidence and is to be used only for academic purposes.

SECTION A: PERSONAL INFORMATION

- T.1. A. Have you lived all your life in Crete?
 1. Yes ☐ (Go to Question T.2) 2. No ☐
- B. How long have you been living in Crete? _____ (number of years)
- C. Where were you living before? _____
- D. Why did you come to live in Crete? _____
- T.2. In which year did you join the business? _____
- T.3. How many years have you been working in the tourism industry? _____
- T.4. What was your main previous occupation before starting work in the tourism industry?
- | | |
|---|---------------------------------------|
| A. Manufacturing <input type="checkbox"/> | B. Farming <input type="checkbox"/> |
| C. Services <input type="checkbox"/> | D. Retailing <input type="checkbox"/> |
| E. None <input type="checkbox"/> | F. Other (specify) _____ |
- T.5. What educational level describes your formal qualifications in tourism?
- | | |
|---|---|
| A. No degree <input type="checkbox"/> | B. STE/ASTER <input type="checkbox"/> |
| C. TEI/KATEE <input type="checkbox"/> | D. University degree <input type="checkbox"/> |
| E. Postgraduate degree <input type="checkbox"/> | F. Other (specify) _____ |

SECTION B: ENTERPRISE INFORMATION

- T.6. In which year was the company founded? _____
- T.7. Where is the head office/ownership based? _____
- T.8. Under what type of ownership is this establishment?
 A. Individual ☐ B. Limited Company ☐
 C. Societe Anonyme (S.A.) ☐ D. Other (specify) _____
- T.9. A. How many establishments do you operate? _____
 B. If more than one where are they located?
 1. In this region ☐
 2. In the rest of the island ☐
 3. In other Greek regions ☐
 4. Abroad ☐
- T.10. What were the main sources of capital used to buy or construct your property and to set up?
 A. Own savings ☐ B. Inheritance ☐
 C. European Community grant ☐ D. Bank loan ☐
 E. Private loan ☐ F. Mortgage ☐
 G. Other (Specify) _____
- T.11. Does the owner have any other
 A. Business activity?
 1. Yes ☐ Please specify _____ 2. No ☐
 B. Employment?
 1. Yes ☐ Please specify _____ 2. No ☐
- T.12. How much did you spend in terms of capital investment on your business in 1996?

- T.13. What was the total turnover of your business in 1996 (including VAT)? _____
- T.14. What was the amount paid for VAT in 1996? _____
- T.15. A. How satisfied have the owner been from this business profits during the last five years?
- | | | | | |
|-------------|--------|---------|------|-----------|
| Very Little | Little | Average | Much | Very much |
| 1 | 2 | 3 | 4 | 5 |
- B. If little or very little which are the major reasons for your dissatisfaction?
 1. Low prices ☐ 2. High costs ☐
 3. Small return on investment ☐ 4. Big inflation ☐
 5. Big competition ☐
 6. (For accommodation, travel agencies & rent a car/bike only)
 Dependence on tour operators ☐
 7. Other (please specify) _____
- T.16. Approximately, what proportion of your turnover comes from international tourists? ____%
- T.17. A. For how long was your enterprise open in 1996?
- | | | | | | | | | | | | | |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| From: | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| To: | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
- B. If you were not open all year, why not? _____
- (If open for less than seven months go to question T.20.)

T.18. What was the structure of your workforce, in 1996?

Gender	Number of family employed		Number of non family employed	
	Full-time	Part-time	Full-time	Part-time
A. Male				
B. Female				

T.19. How many seasonal (less than seven months) jobs were created by your business during the summer of 1996?

Gender	Number of family employed		Number of non family employed	
	Full-time	Part-time	Full-time	Part-time
A. Male				
B. Female				

T.20. Please estimate what proportion of your workforce came in 1996 from (Car rentals and souvenir shops go to D)?

Type of labour	your region	the rest Crete	outside Crete (specify)
A. Waiting / Bar staff / Receptionist			
B. Kitchen staff			
C. Housekeeping staff			
D. Office / Clerical			
E. Managerial			
F. Other (Specify).....			

(Restaurants, bars, and souvenir shops go to question T.25.).

T.21. Did you receive customers from tour operators in 1996?

A. Yes ☐ B. No ☐ (Go to question T.25).

T.22. What percentage of your clients in 1996 were?

A. Independent tourists _____ %
 B. Organised inclusive tourists (arriving through tour operators) _____ %
 C. Other (specify) _____ %

T.23. Do you prefer individual customers rather than group tourists?

A. Yes ☐ Why? _____
 B. No ☐ Why not? _____
 C. Both of them ☐

T.24. In 1996, did you face any problems with the tour operators you worked with?

1. Yes ☐
 A. Please specify? _____
 B. What attempts have you made to overcome them? _____
 2. No ☐

T.25. Please give me your opinion on the role of tour operators in Crete in each of the following areas:

	Very advantageous	Advantageous	Neutral	Disadvantageous	Very disadvantageous
	1	2	3	4	5
A. Improving facilities					
B. Attracting tourists					
C. Determining prices for facilities/services offered					
D. Influencing excursions and transportation choices of tourists					
E. Visiting places of tourist attractions					

T.26. Did you face any seasonality problems in 1996?

1. Yes ☐ What attempts has your business made to overcome them?

2. No ☐ _____

T.27. Do you have any plans for expansion and/or changes in facilities or number of units in the near future?

A. Yes ☐ Please expand _____

B. No ☐ Why not _____

T.28. Please tell me about any problems that you face in your trade which need attention from the public sector? (Please specify which body of the public sector).

SECTION C1: ACCOMMODATION ESTABLISHMENTS ONLY

T.1.1. Which category has been awarded to your accommodation establishment?

- A. Hotel Lux ☐ B. Hotel A' ☐ C. Hotel B' ☐
D. Hotel C' ☐ E. Furnished Apartment ☐

T.1.2. A. How many bed spaces did you have in 1996? _____

B. How many guest bedrooms did the establishment have in 1996? _____

T.1.3. How many incoming tourists do you estimate that you accommodated in 1996? _____

T.1.4 How many days on average did each incoming tourist stay at your establishment? _____

T.1.5. What facilities did you offer to your guests in 1996?

- A. Restaurants ☐ B. Bars ☐
C. Sauna ☐ D. Conference centre ☐
E. Shops ☐ F. Swimming pool ☐
G. Sports ☐ H. Other (specify) _____

T.1.6. A. How did your occupancy rate vary over 1996?

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

B. Why did it vary in this way? _____

T.1.7. What was your average room rate per person in 1996

	High season	Low season
A. For independent tourists?		
B. For groups (coming through tour operators, if any) ?		

T.1.8. Please estimate the proportion of supplies obtained in 1996

	Locally %	Elsewhere in Crete (Specify) %	Elsewhere abroad (Specify) %
A. Fresh foods			
B. Other food products			
C. Drinks			
D. Furniture			
E. Linen			
F. Kitchenware & China			
G. Stationery			
H. Building materials			

T.1.9. Which of the following services did you operate in 1996?

	Within your firm %	Within your locality %	Elsewhere (Specify) %
A. Accountancy			
B. Catering			
C. Cleaning			
D. Laundry			
E. Maintenance & Repairs			

SECTION C2: TRAVEL AGENCIES AND CAR RENTALS

T.2.1. Which of the following services do you offer to your clients as far as incoming tourism is concerned?

- A. Negotiation and contract with tour operators ☐
- B. Pre-buy and distribute accommodation to T.O. and foreign tourists ☐
- C. Exchange currency ☐
- D. Ticketing for transportation (ferries, coaches) ☐
- E. Sightseeing/excursion ticketing ☐
- F. Rent a car/bike ☐
- G. Other services (Specify) _____

T.2.2. How many cars/bikes/buses did the establishment have in 1996 (if any)?

- A. No of cars _____
- B. No of bikes _____
- C. No of buses _____

T.2.3. How many incoming tourists do you estimate that you served in 1996? _____

T.2.4. A. To what extent did your turnover vary throughout 1996?

Treat the monthly totals as an index of 100 (i.e. higher month is 100).

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

B. Why did it vary in this way? _____

T.2.5. Please estimate the proportion of supplies obtained in 1996?

	Locally %	Elsewhere in Crete (Specify) %	Elsewhere (Specify) %
A. Furniture			
B. Stationery			
C. Car/bikes (if any)			

T.2.6. Which of the following services did you operate in 1996?

	Within your firm %	Within your locality %	Elsewhere (Specify) %
A. Accountancy			
B. Cleaning			
C. Maintenance & Repairs			

SECTION C3: RESTAURANTS, CAFES & BARS ONLY

T.3.1. What is the type of business?

- A. Restaurant ☐
 B. Cafe ☐
 C. Bar ☐
 D. Other (Specify) _____

T.3.2. Which of the following did you offer to your clients in 1996?

- A. Breakfast ☐ B. Light meals ☐
 C. Lunch/Dinner ☐ D. Drinks ☐
 E. Games ☐ F. Other (Specify) _____

T.3.3. How much on average do you estimate that each incoming tourist spent at your establishment in 1996? _____

T.3.4. How many incoming tourists do you estimate that you served in 1996? _____

T.3.5. A. To what extent did your turnover vary throughout 1996?

Treat the monthly totals as an index of 100 (i.e. higher month is 100).

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

B. Why did it vary in this way? _____

T.3.6. Please estimate the proportion of supplies obtained in 1996?

	Locally %	Elsewhere in Crete (Specify) %	Elsewhere abroad (Specify) %
A. Fresh foods			
B. Other food products			
C. Drinks			
D. Furniture			
E. Linen			
F. Kitchenware & China			

T.3.7. Which of the following services did you operate in 1996?

	Within your firm? %	Within your locality? %	Elsewhere in Crete? (Specify) %
A. Accountancy			
B. Catering			
C. Cleaning			
D. Laundry			
E. Maintenance & Repairs			

SECTION C4: SOUVENIR TOURIST SHOPS

T.4.1. Please estimate the proportion of supplies obtained in 1996?

- A. locally _____ %
 B. elsewhere in Crete (specify) _____ %
 C. elsewhere (specify) _____ %

T.4.2. How many incoming tourists do you estimate that you served in 1996? _____

T.4.3. A. To what extent did your turnover vary throughout 1996?

Treat the monthly totals as an index of 100 (i.e. higher month is 100).

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

- B. Why did it vary in this way? _____

T.4.4. Which of the following services did you operate in 1996?

	Within your firm? %	Within your locality? %	Elsewhere? (Specify)
A. Accountancy			
B. Maintenance & Repairs			

SECTION D: GENERAL INFORMATION
(TO BE COMPLETED BY ALL ENTERPRISES)

T.29. Please give me your opinion on the role of tour operators in Crete in each of the following areas:

	Very advantageous	Advantageous	Neutral	Disadvantageous	Very disadvantageous
	1	2	3	4	5
A. Your enterprise					
B. The region's economy					
C. The Cretan economy					
D. Greek government incomes					
E. Employment					
F. Environment					
G. Social life					

T.30. Would you like to see more development of Crete as a tourism destination?

1. Yes ☐

A. What types of tourism would you like to see? _____

B. What types of tourist facilities would you like to see? _____

C. What actions would you like to see for further tourism development? _____

2. No ☐ Why not? _____

T.31. What do you think the authorities should do in the future in order to improve the local economy?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
A. Encourage greater numbers of tourists					
B. Encourage higher spending tourists					
C. Encourage tourists to visit Crete outside the main summer season					

T.32. Would you like to see any changes and/or improvements, to the way in which Crete is promoted by the public sector in the future? Please specify which body of the public sector.

T.33. If you were responsible for planning the tourism development of Crete the next five years, what would you consider to be the most essential step?

T.34. Please feel free to make any comments.

Thank you for your time and attention!



LOCAL AUTHORITIES' QUESTIONNAIRE

No: Date:...../...../ 1997
 Name of Authority
 Position Held:
 Address:
 Telephone:
 City:

Good morning/afternoon. I am carrying out a survey to enable me to complete my PhD thesis which examines the impacts of tourism in Crete and I would be very grateful if you would reply to the following questions to the best of your knowledge.
 All the information provided will be treated in confidence and is to be used only for academic purposes.

A.1. Please give your opinion on the impacts of tourism in each of the following areas:

	Very advantageous	Advantageous	Neutral	Disadvantageous	Very disadvantageous
	1	2	3	4	5
1. Enterprises					
2. The Cretan economy					
3. Greek government incomes					
4. Employment					
5. Environment					
6. Social life					

A.2. Please give your opinion on the contribution of tourism to the balance of payment in Crete?

A.3. How many staff in your authority are involved in tourism?

	Full-time		Part-time		Seasonal	
	Male	Female	Male	Female	Male	Female
A. Direct						
B. Indirect						

A.4. What is the general attitude of local people towards tourism development?

A.5. Do you think that tourism in Crete, over the last decade, has attracted workers from other industries? (Please elaborate) _____

A.6. Are you aware of any labour shortages in the tourism industry of Crete?

1. Yes ☐ What type - skilled or unskilled? _____

 2. No ☐

A.7. What is the percentage of non-locally owned tourist businesses?

	Local owned businesses	No local owned businesses
A. Accommodation establishments		
B. Travel agencies		
C. Rent a car/bike		
D. Restaurants/Bars/Cafe		
E. Tourist shops		

A.8. In what goods/services is Crete self-sufficient?

	Sufficient	Insufficient
A. Fresh foods		
B. Other foods products		
C. Drinks		
D. Furniture		
E. Linen		
F. Kitchenware & China		
G. Stationery		
H. Building materials		
I. Maintenance & Repairs		
J. Cars/Bikes		

A.9. What do you think the authorities should do in the future in order to improve the local economy?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
A. Encourage greater numbers of tourists					
B. Encourage higher spending tourists					
C. Encourage tourists to visit Crete outside the main summer season					

A.10. Do you undertake any special activities to promote tourism at present?

- A. Yes ☐ Please specify _____

 B. No ☐ Do you plan any action for the future? _____

A.11. Do you think that Crete faces a seasonality problem in tourism?

A. Yes ☐

What attempts has your authority made to overcome it? _____

B. No ☐

A.12. Do you think that Crete faces a problem of dependence on tour operators?

A. Yes ☐

What attempts has your authority made to overcome it? _____

B. No ☐

A.13. What improvements to existing facilities for tourists to Crete, or any additional facilities, would you like the public sector to make? Please specify which body of the public sector?

A.14. Are there any changes and/or improvements, to the way in which Crete is promoted by the public sector, which you would like to see in the future? Please specify which body of the public sector?

A.15. Would you like to tell us about any special trade problems experienced by tourist enterprises, which need attention from the public sector? Please specify which part of the public sector?

A.16. If you were responsible for planning the tourism development of Crete the next five years, what would you consider to be the most essential step?

A.17. Please feel free to make any comments.

Thank you for your time and attention!



APPENDIX J: ENTERPRISES' χ^2 AND CRAMER'S V STATISTICS

Table J1: Independent – Location

DEPENDENT VARIABLES	χ^2	CRAMER'S V	df	SIG.
1. Type of ownership	14.446	.149	6	.375*
2. Year of foundation	13.753	.308	6	.033
3. Number of outlets	4.861	.182	3	.182
4. Open enterprises on January	2.970	.143	3	.396
5. Open enterprises on February	3.900	.163	3	.273
6. Open enterprises on March	2.197	.123	3	.533
7. Open enterprises on April	1.664	.109	3	.645*
8. Open enterprises on November	1.884	.112	3	.605
9. Open enterprises on December	2.327	.126	3	.507
10. Existence of seasonality problem	.249	.041	3	.969
11. Average length of stay	10.184	.326	6	.117*
12. Room rate in high season for independent tourists	3.665	.211	6	.723*
13. Room rate in high season for organised tourists	2.370	.172	6	.883*
14. Room rate in low season for independent tourists	4.071	.220	6	.667*
15. Room rate in low season for organised tourists	4.327	.230	6	.632*
16. Co-operation with Tour Operators	1.482	.133	3	.686
17. Percentage of organised inclusive tourists	8.298	.215	9	.504*
18. Existence of problems from co-operation with tour operators	2.165	.188	3	.539*
19. Proportion of turnover coming from international tourists	5.335	.137	6	.502
20. Plans for expansion	1.669	.107	3	.644
21. Fresh food supplied within locality	11.480	.246	9	.244*
22. Other food supplied within locality	13.857	.273	9	.127*
23. Drinks supplied within locality	4.545	.176	6	.603*
24. Furniture supplied within locality	4.467	.144	6	.614*
25. Linen supplied within locality	4.738	.174	6	.578*
26. Kitchenware & China supplied within locality	11.757	.278	6	.068*
27. Stationery supplied within locality	7.565	.215	6	.272*
28. Building materials supplied within locality	8.818	.300	6	.184*
29. Car bikes supplied within locality	17.939	.480	9	.036*
30. Supplies of tourist shops purchased within locality	6.441	.308	6	.376*
31. Accountancy services within firm	4.125	.119	6	.660*
32. Cleaning services within firm	1.291	.094	3	.731*
33. Laundry services within firm	12.667	.265	6	.055*
34. Maintenance & Repairs services within firm	11.254	.161	9	.259*
35. Support for further tourism development	5.278	.190	3	.153*

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

* The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

Table J2: Independent - Sector

DEPENDENT VARIABLES	χ^2	CRAMER'S V	df	SIG.
1. Type of ownership	87.136	.773	6	.000*
2. Enterprises' year of foundation	16.192	.236	6	.013
3. Number of outlets	6.410	.210	3	.093
4. Category awarded to the AEs	42.459	.639	8	.000*
5. Open enterprises on January	.461	.056	3	.927*
6. Open enterprises on February	.721	.070	3	.868*
7. Open enterprises on March	2.994	.143	3	.393
8. Open enterprises on April	2.108	.122	3	.550*
9. Open enterprises on November	.900	.079	3	.825
10. Open enterprises on December	.544	.061	3	.909
11. Existence of seasonality problem	12.181	.290	3	.007
12. Co-operation with Tour Operators	38.024	.673	1	.000
13. Percentage of organised inclusive tourists	24.872	.644	3	.000*
14. Existence of problems from co-operation with tour operators	5.072	.288	1	.024*
15. Proportion of turnover coming from international tourists	18.429	.255	6	.005
36. Plans for expansion	23.292	.399	1	.000
16. Fresh food supplied within locality	3.225	.226	3	.358*
17. Other food supplied within locality	5.471	.297	3	.140*
18. Drinks supplied within locality	3.493	.219	2	.174*
19. Furniture supplied within locality	1.553	.085	4	.817*
20. Linen supplied within locality	4.944	.252	2	.084*
21. Kitchenware & China supplied within locality	2.213	.171	2	.331*
22. Stationery supplied within locality	.054	.026	2	.973*
23. Accountancy services within firm	48.558	.408	6	.000*
24. Cleaning services within firm	20.522	.376	3	.000*
25. Laundry services within firm	9.470	.346	2	.009*
26. Maintenance & Repairs services within firm	29.363		3	.000
27. Support for further tourism development	8.468	.241	3	.037*

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

* The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

Table J3: Independent - Size of AEs

DEPENDENT VARIABLES	χ^2	CRAMER'S V	df	SIG.
1. Type of ownership	14.049	.368	4	.007*
2. Open enterprises on January	2.967	.239	2	.297*
3. Open enterprises on February	4.549	.239	2	.103*
4. Open enterprises on March	4.549	.103	2	.103*
5. Open enterprises on April	3.267	.258	2	.195*
6. Open enterprises on November	1.273	.156	2	.529*
7. Open enterprises on December	2.967	.239	2	.227*
8. Existence of seasonality problem	4.893	.310	2	.087
9. Co-operation with Tour Operators	1.033	.141	2	.597*
10. Existence of problems from co-operation with tour operators	1.976	.199	2	.372*
11. Plans for expansion	.929	.134	2	.629
12. Support for further tourism development	1.108	.146	2	.575*

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

* The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

APPENDIX K: ENTERPRISES' SPEARMAN'S ρ COEFFICIENTS

Table K1: Independent - Size of AEs

DEPENDENT VARIABLES	SPEARMAN'S ρ	SIG. ¹
1. Number of outlets	.528	.000
2. Enterprise's year of foundation	-.003	.983
3. Average length of stay	-.074	.615
4. Proportion of turnover coming from international tourists	-.057	.690
5. Percentage of organised inclusive tourists	-.082	.573
6. Room rate in high season for independent tourists	.406	.008
7. Room rate in high season for organised tourists	.320	.044
8. Room rate in low season for independent tourists	.606	.000
9. Room rate in low season for organised tourists	.269	.089
10. Satisfaction form business income	.316	.025
11. Number of family employees	-.447	.002
12. Fresh food supplied within locality	-.084	.631
13. Other food supplied within locality	-.535	.001
14. Drinks supplied within locality	-.431	.003
15. Furniture supplied within locality	-.455	.001
16. Linen supplied within locality	-.424	.002
17. Kitchenware & China supplied within locality	-.377	.008
18. Stationery supplied within locality	-.382	.006
19. Building materials supplied within locality	-.358	.012
20. Accountancy services within firm	.614	.000
21. Laundry services within firm	.412	.003
22. Maintenance & Repairs services within firm	.716	.000

¹ The values shown in bold indicate a statistical significance at the .05 level of confidence

APPENDIX L: ENTERPRISES' ANALYSIS OF VARIANCE (ANOVA) TESTS

Table L1: ANOVA tests and Mean scores of AEs occupancy rates
Independent – Location

DEPENDENT VARIABLES	MEANS				F RATIO	df ² WITHIN GROUPS	SIG.
	C ¹	H ¹	L ¹	R ¹			
January	30.0	46.3	40		.235	2	.867
February	30.0	49.8	30		1.218	2	.481
March	50.0	62.0	40		1.240	2	.475
April	42.0	65.6	61.4	36.6	2.148	31	.114
May	60.0	70.4	74.7	54.2	1.217	37	.317
June	65.3	71.9	87.8	63.3	1.646	37	.195
July	75.9	80.4	91.7	71.3	1.324	37	.281
August	89.8	86	92.8	78.7	1.226	37	.314
September	75.4	86.2	91.1	77.8	1.531	37	.223
October	46.9	67.5	69.4	41.4	1.732	37	.177
November	40.0	49.5	30.0		.409	2	.766
December	30	48.3	30.0		.786	2	.602

¹ C = Chania, H = Heraklio, L = Lassithi, R = Rethymno

² df between groups = 3

Figure L1: Mean scores of AEs occupancy rates
Independent - Location

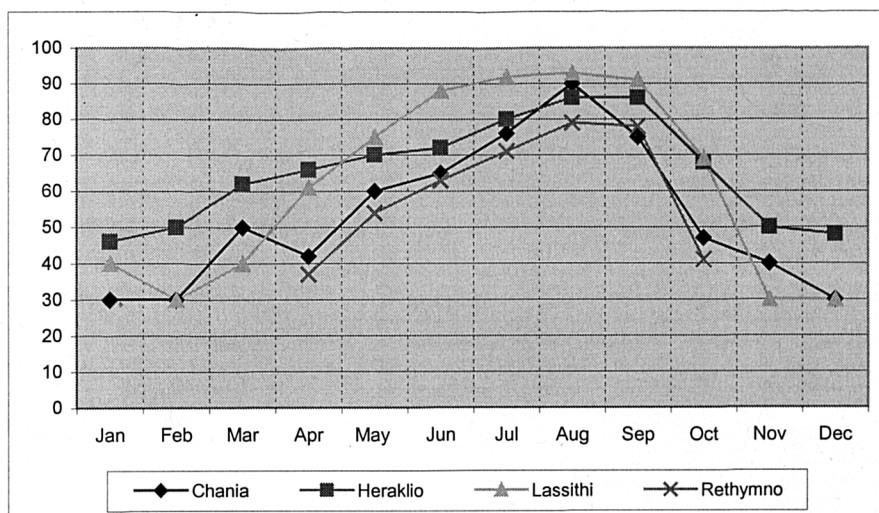


Table L2: ANOVA tests and Mean scores of enterprises turnover
Independent – Location

DEPENDENT VARIABLES	MEANS				F RATIO	df ² WITHIN GROUPS	Sig. ³
	C ¹	H ¹	L ¹	R ¹			
January	10	18.3	11.7	60.0	4.381	4	.094
February	10	18.3	11.7	60.0	4.381	4	.094
March	18.8	18.0	15.0	52.5	6.974	13	.005
April	45.2	42.5	40.2	51.9	.947	77	.422
May	58.5	51.8	51.1	59.4	.771	82	.514
June	59.4	60.8	56.5	60.8	.214	82	.886
July	71.5	75.5	71.1	74.7	.204	82	.894
August	91.9	93.7	95.0	90.6	.302	82	.824
September	76.9	74.0	75.7	73.3	.125	82	.945
October	46.2	46.1	53.5	54.2	.850	82	.470
November	4.5	10.4	1.7	4.3	1.172	67	.327
December	3.3	9.6	6.1	26.9	.330	68	.804

¹ C = Chania, H = Heraklio, L = Lassithi, R = Rethymno

² df between groups = 3

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure L2: Mean scores of enterprises turnover
Independent - Location

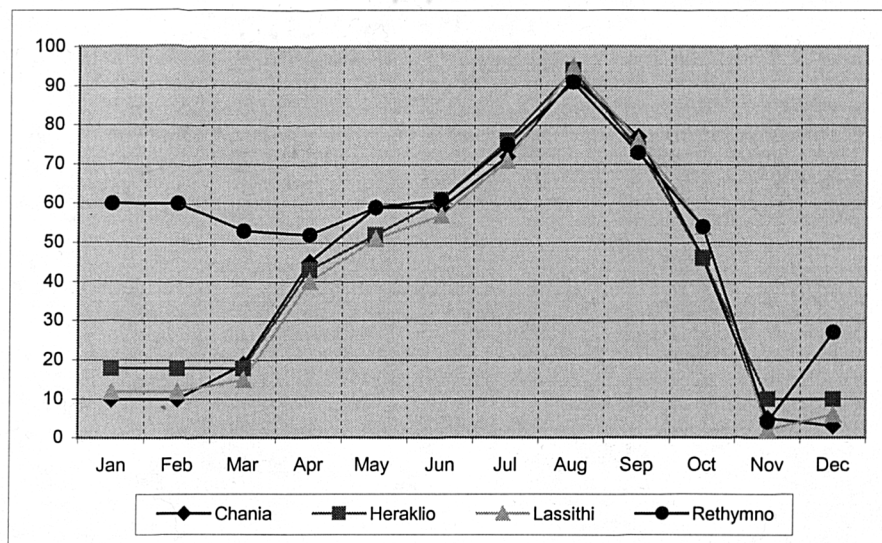


Table L3: ANOVA tests and Mean scores of enterprises turnover
Independent – Sector

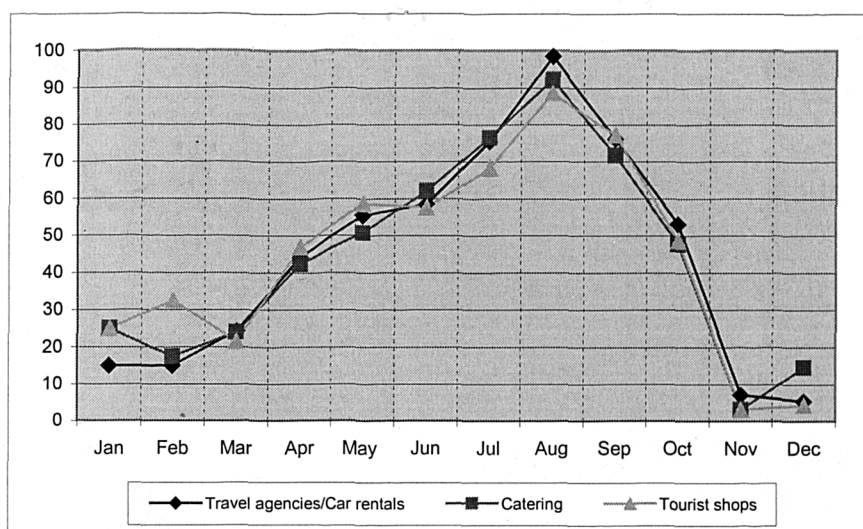
DEPENDENT VARIABLES	MEANS			F RATIO	df ² WITHIN GROUPS	Sig.
	T/C ¹	R/B ¹	TS ¹			
January	15.0	25.0	25.0	.217	5	.812
February	15.0	17.5	32.5	.512	5	.628
March	24.3	24.0	21.6	.095	14	.910
April	44.2	42.4	46.8	.261	78	.771
May	55.4	50.8	58.6	.869	83	.423
June	58.5	62.1	57.6	.398	83	.673
July	75.4	76.5	68.2	1.250	83	.292
August	98.5	92.3	88.6	3.007	83	.055
September	76.1	71.7	77.1	.501	83	.608
October	53.2	47.7	48.6	.462	83	.631
November	7.2	3.2	3.2	.724	68	.488
December	5.4	14.6	4.4	1.197	69	.308

¹ AE = Accommodation establishments, T/C = Travel agencies/Car rentals,

R/B = Restaurants/Bar/Coffee shops, TS = Tourist shops

² df between groups = 3

Figure L3: Mean scores of enterprises turnover
Independent - Sector



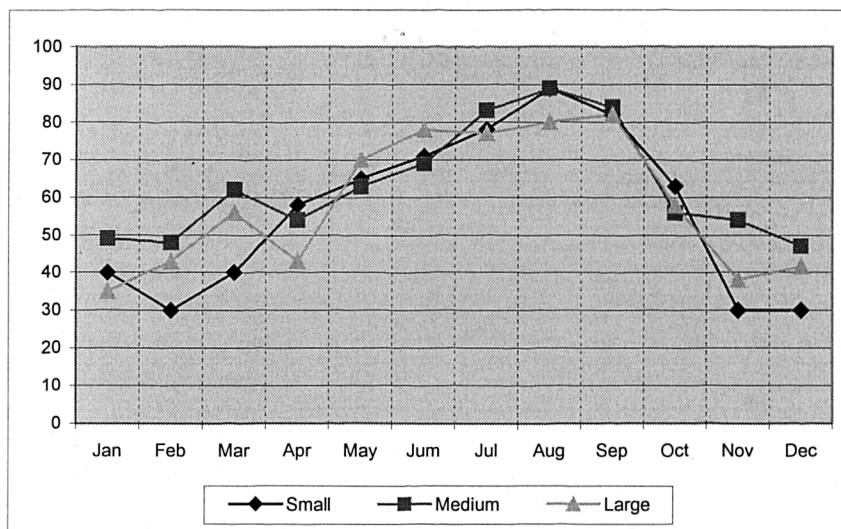
**Table L4: ANOVA tests and Mean scores of AEs occupancy rates
Independent – Size of AEs**

DEPENDENT VARIABLES	MEANS			F RATIO	df ² WITHIN GROUPS	SIG.
	S ¹	M ¹	L ¹			
January	30.0	46.3	40	.235	2	.867
February	30.0	49.8	30	1.218	2	.481
March	50.0	62.0	40	1.240	2	.475
April	42.0	65.6	61.4	2.148	31	.114
May	60.0	70.4	74.7	1.217	37	.317
June	65.3	71.9	87.8	1.646	37	.195
July	75.9	80.4	91.7	1.324	37	.281
August	89.8	86	92.8	1.226	37	.314
September	75.4	86.2	91.1	1.531	37	.223
October	46.9	67.5	69.4	1.732	37	.177
November	40.0	49.5	30.0	.409	2	.766
December	30	48.3	30.0	.786	2	.602

¹ S = Small, M = Medium, L = Large

² df between groups = 2

**Figure L4: Mean scores of AEs occupancy rates
Independent – Size of AEs**



APPENDIX M: MINIMUM PRICES¹ OF HOTEL ESTABLISHMENTS FROM 1-1-97 TO 31-12-97

Table M1: Minimum room prices of hotels²

Category	LOW SEASON						MIDDLE SEASON						HIGH SEASON					
	Single rooms		Double rooms		Triple rooms		Single rooms		Double rooms		Triple rooms		Single rooms		Double rooms		Triple rooms	
	Basic	En suite	Basic	En suite	Basic	En suite	Basic	En suite	Basic	En suite	Basic	En suite	Basic	En suite	Basic	En suite	Basic	En suite
Lux'	-	7,500	-	10,900	-	13,600	-	7,900	-	11,500	-	14,500	-	11,500	-	16,800	-	21,100
A'	3,200	5,500	5,500	7,700	-	9,600	3,400	5,900	5,800	8,100	-	10,200	5,100	8,600	8,400	12,700	-	14,900
B'	2,400	3,700	3,800	4,800	-	6,000	2,500	4,000	4,100	5,100	-	6,300	3,600	5,800	6,700	7,400	-	9,300
C'	2,100	2,600	2,700	3,800	4,000	4,600	2,300	2,800	2,900	4,100	4,200	4,900	3,300	4,100	4,300	5,900	6,100	7,100
D'	1,700	2,300	2,400	3,300	3,300	3,600	1,800	2,400	2,600	3,500	3,400	3,800	2,600	3,400	3,700	5,100	5,100	5,600
E'	1,500	1,900	2,100	2,900	2,900	3,000	1,600	2,000	2,200	3,000	3,000	3,200	2,200	2,900	3,100	4,300	4,300	4,700

Table M2: Minimum prices of hotel apartments²

Category	LOW SEASON						MIDDLE SEASON						HIGH SEASON					
	1 Single room		1 Double room		1 Single & 2 Double rooms		1 Single room		1 Double room		1 Single & 2 Double rooms		1 Single room		1 Double room		1 Single & 2 Double rooms	
	1 Single room	1 Double room	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single room	1 Double room	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single room	1 Double room	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single & 2 Double rooms	1 Single & 2 Double rooms
Lux'	15,000	18,000	25,500	28,500	36,000	36,000	15,900	19,000	27,000	30,300	38,200	38,200	23,200	27,800	39,400	44,100	55,600	55,600
A'	11,000	13,200	18,700	20,900	26,300	26,300	11,800	13,900	19,900	22,200	28,000	28,000	17,100	20,400	28,900	32,200	40,700	40,700
B'	7,600	8,500	12,300	13,100	14,600	14,600	8,000	9,000	13,000	14,100	15,500	15,500	11,600	13,200	18,900	20,600	22,600	22,600
C'	5,200	6,400	9,000	10,200	11,300	11,300	5,500	6,900	9,600	10,800	12,000	12,000	8,100	10,000	13,900	15,800	17,500	17,500

¹ All prices are in GRD (Exchange rate in 1-1-1997 £1=419.35 GRD)

² The AEs are free to determine prices for breakfast, lunch and dinner.

Table M3: Minimum prices of furnished apartments³

Category	LOW SEASON				MIDDLE SEASON				HIGH SEASON						
	1 Single room	1 Double room	1 Single & 1 Double rooms	2 Double rooms	1 Single & 2 Double rooms	1 Single room	1 Double room	1 Single & 1 Double rooms	2 Double rooms	1 Single & 2 Double rooms	1 Single room	1 Double room	1 Single & 1 Double rooms	2 Double rooms	1 Single & 2 Double rooms
Lux'	9,400	10,400	14,100	15,300	19,100	14,400	15,900	21,700	23,400	29,300	14,500	16,000	21,900	23,600	29,500
A'	6,700	7,800	10,400	11,600	14,200	10,100	12,000	15,900	17,800	20,900	10,200	12,100	16,100	18,000	21,900
B'	5,200	5,800	7,900	8,300	10,400	8,000	8,800	12,100	12,800	15,800	8,000	8,900	12,200	12,900	16,000
C'	3,600	4,600	6,600	7,200	9,200	5,500	7,100	10,100	11,000	14,000	5,500	7,100	10,200	11,100	14,100

Source: Hotel Chamber of Greece (1996)

³ The AEs are free to determine prices for breakfast, lunch and dinner.

APPENDIX N: OWNERS'/MANAGERS' χ^2 AND CRAMER'S V STATISTICS

Table N1: Independent - Location

DEPENDENT VARIABLES	χ^2	CRAMER'S V	df	SIG.
1. Position of respondents	6.357	.209	3	.095
2. All-life residence	9.068	.249	3	.028
3. Education in tourism	5.763	.199	3	.124
4. Working years within the business	17.474	.245	6	.008
5. Working years within the tourist industry	16.443	.194	9	.058
6. Previous occupation	3.336	.107	6	.762
7. Second business activity	3.193	.148	3	.363
8. Second employment	.835	.076	3	.841

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

- * The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

Table N2: Independent - Sector

DEPENDENT VARIABLES	χ^2	CRAMER'S V	df	SIG.
1. Position of respondents	19.353	.364	3	.000
2. All-life residence	1.430	.099	3	.698
3. Education in tourism	18.633	.357	3	.000
4. Working years within the business	2.628	.095	6	.854
5. Working years within the tourist industry	10.897	.194	3	.283
6. Previous occupation	5.093	.132	6	.532
7. Second business activity	8.381	.240	3	.039
8. Second employment	4.000	.166	3	.261

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

- * The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

Table N3: Independent - Size of AEs

DEPENDENT VARIABLES	χ^2	CRAMER'S V	df	SIG.
1. Position of respondents	29.141	.749	2	.000
2. All-life residence	4.677	.300	2	.096
3. Previous occupation	12.489	.347	4	.014*
4. Second business activity	247	.069	2	.884
5. Second employment	.806	.125	2	.668*

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

- * The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

APPENDIX O: OWNERS'/MANAGERS' SPEARMAN'S ρ COEFFICIENTS

Table O1: Independent - Size of AEs

DEPENDENT VARIABLES	SPEARMAN'S ρ	SIG.
1. Working years within the business	.297	.032
2. Working years within the tourist industry	.103	.467
3. Education in Tourism	.470	.000

The values shown in bold indicate a statistical significance at the .05 level of confidence

APPENDIX P: OWNERS'/MANAGERS' ANALYSIS OF VARIANCE (ANOVA) TESTS

Table P1: ANOVA tests and Mean Scores of Likert Scale statements
Independent – Location

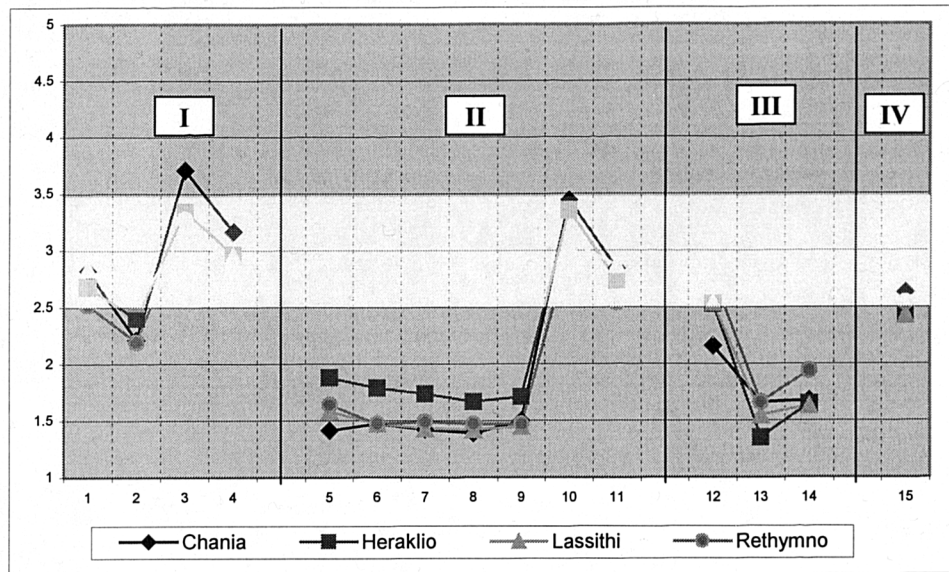
DEPENDENT VARIABLES	MEANS				F RATIO	df ² WITHIN GROUPS	SIG. ³
	C ¹	H ¹	L ¹	R ¹			
I. ROLE OF TOUR OPERATORS							
1. How advantageous is the role of tour operators in improving facilities?	2.82	2.68	2.84	2.52	.711	130	.547
2. How advantageous is the role of tour operators in attracting tourists?	2.21	2.40	2.54	2.19	.909	122	.439
3. How advantageous is the role of tour operators in determining prices?	3.71	3.34	3.15	3.27	1.843	119	.143
4. How advantageous is the role of tour operators in influencing excursions and transportation?	3.16	2.96	2.95	2.84	.469	118	.704
II. TOURISM IMPACTS							
5. How advantageous are the impacts of tourism on your enterprise?	1.41	1.88	1.58	1.64	3.227	141	.024
6. How advantageous are the impacts of tourism on your region's economy?	1.47	1.79	1.47	1.47	2.003	142	.116
7. How advantageous are the impacts of tourism on the Cretan economy?	1.42	1.74	1.43	1.49	1.772	140	.155
8. How advantageous are the impacts of tourism on Greek government's incomes?	1.39	1.67	1.42	1.47	1.170	141	.324
9. How advantageous are the impacts of tourism on employment for locals?	1.50	1.71	1.45	1.47	.901	142	.442
10. How advantageous are the impacts of tourism on the environment?	3.44	3.35	3.08	3.00	1.426	133	.238
11. How advantageous are the impacts of tourism on resident's social life?	2.84	2.74	2.87	2.54	.757	141	.520
III. DEVELOPMENT OPTIONS							
12. Authorities should encourage greater numbers of tourists	2.16	2.53	2.54	2.77	2.008	140	.105
13. Authorities should encourage higher spending tourists	1.66	1.35	1.55	1.66	1.889	141	.134
14. Authorities should encourage tourists to visit Crete outside the main summer season	1.68	1.65	1.63	1.94	.911	141	.437
IV. SATISFACTION FROM BUSINESS INCOME							
15. How satisfied have the owner been from this business profits?	2.63	2.44	2.43	2.54	.320	140	.811

¹ C = Chania, H = Heraklio, L = Lassithi, R = Rethymno

² df between groups = 3

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure P1: Mean scores of Likert Scale statements
Independent - Location



**Table P2: ANOVA tests and Mean Scores Likert Scale statements
Independent - Sector**

DEPENDENT VARIABLES	MEANS				F RATIO	df WITHIN GROUPS	Sig. ²
	AE ¹	T/C ¹	R/B ¹	TS ¹			
I. ROLE OF TOUR OPERATORS							
1. How advantageous is the role of tour operators in improving facilities?	2.22	2.73	3.22	3.16	9.909	130	.000
2. How advantageous is the role of tour operators in attracting tourists?	1.75	2.69	2.95	2.54	11.894	122	.000
3. How advantageous is the role of tour operators in determining prices?	3.08	3.65	3.17	3.73	3.433	119	.019
4. How advantageous is the role of tour operators in influencing excursions and transportation?	2.65	3.03	3.00	3.52	4.121	118	.008
II. TOURISM IMPACTS							
5. How advantageous are the impacts of tourism on your enterprise?	1.54	1.53	1.70	1.76	1.225	141	.341
6. How advantageous are the impacts of tourism on your region's economy?	1.50	1.44	1.57	1.71	1.003	142	.393
7. How advantageous are the impacts of tourism on the Cretan economy?	1.46	1.41	1.54	1.68	1.100	140	.351
8. How advantageous are the impacts of tourism on Greek government's incomes?	1.40	1.41	1.61	1.64	1.631	141	.185
9. How advantageous are the impacts of tourism on employment for locals?	1.42	1.34	1.68	1.76	2.950	142	.035
10. How advantageous are the impacts of tourism on the environment?	3.17	3.25	3.05	3.39	.518	133	.671
11. How advantageous are the impacts of tourism on resident's social life?	2.63	2.81	2.75	2.88	.434	141	.729
III. DEVELOPMENT OPTIONS							
12. Authorities should encourage greater numbers of tourists.	2.50	2.44	2.25	2.74	1.079	140	.360
13. Authorities should encourage higher spending tourists	1.57	1.69	1.43	1.53	.893	141	.477
14. Authorities should encourage tourists to visit Crete outside the main summer season	1.90	1.75	1.64	1.50	1.436	141	.235
IV. SATISFACTION FROM BUSINESS INCOME							
15. How satisfied have the owner been from this business profits?	2.70	2.62	2.21	2.38	1.759	140	.158

¹ AE = Accommodation establishments, T/C = Travel agencies/Car rentals,
R/B = Restaurants/Bar/Coffee shops, TS = Tourist shops

² df between groups = 3

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure P2: Mean scores of Likert scale statements
Independent - Sector

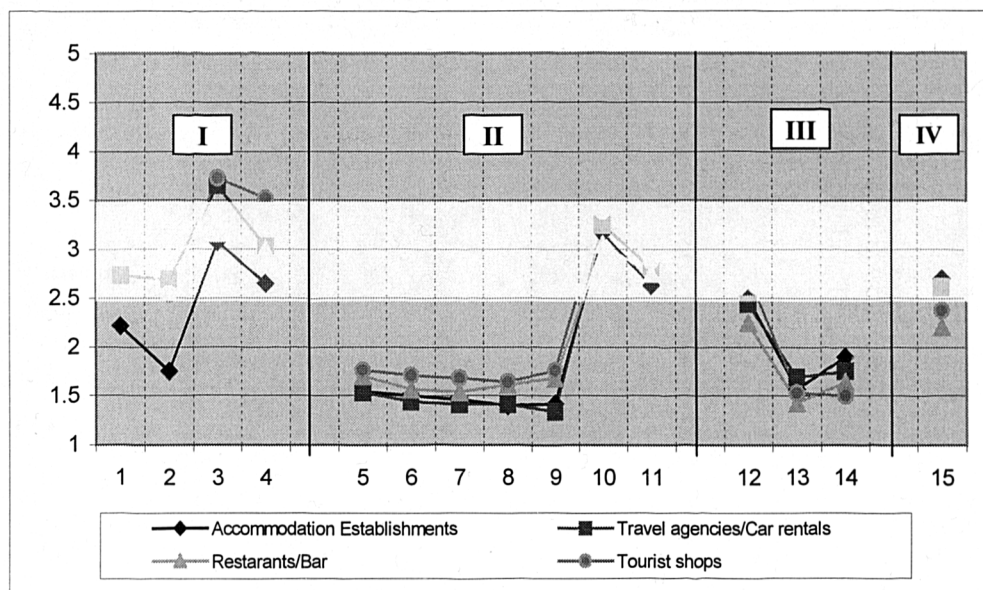


Table P3: ANOVA tests by size of AEs

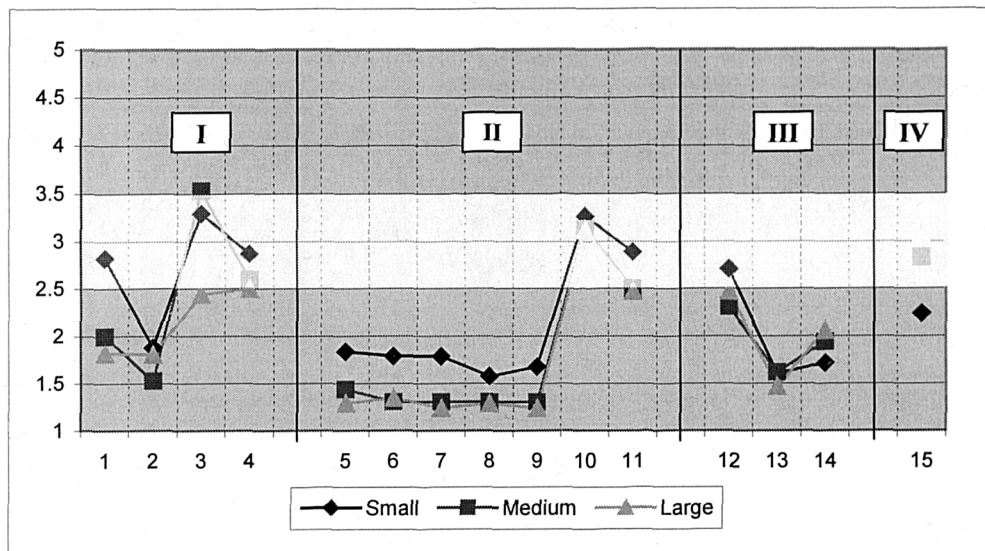
DEPENDENT VARIABLES	MEANS			F RATIO	df ² WITHIN GROUPS	SIG. ³
	S ¹	M ¹	L ¹			
I. ROLE OF TOUR OPERATORS						
1. How advantageous is the role of tour operators in improving facilities?	2.82	2.00	1.82	6.483	47	.003
2. How advantageous is the role of tour operators in attracting tourists?	1.88	1.53	1.81	1.719	45	.191
3. How advantageous is the role of tour operators in determining prices?	3.29	3.53	2.44	4.559	45	.015
4. How advantageous is the role of tour operators in influencing excursions and transportation?	2.87	2.60	2.50	.546	45	.583
II. TOURISM IMPACTS						
5. How advantageous are the impacts of tourism on your enterprise?	1.84	1.44	1.29	4.448	49	.016
6. How advantageous are the impacts of tourism on your region's economy?	1.79	1.31	1.35	3.750	49	.031
7. How advantageous are the impacts of tourism on the Cretan economy?	1.79	1.31	1.24	5.116	49	.010
8. How advantageous are the impacts of tourism on Greek government's incomes?	1.58	1.31	1.29	1.945	49	.154
9. How advantageous are the impacts of tourism on employment for locals?	1.68	1.31	1.24	4.832	49	.012
10. How advantageous are the impacts of tourism on the environment?	3.26	3.13	3.12	.097	49	.907
11. How advantageous are the impacts of tourism on resident's social life?	2.89	2.50	2.47	.922	49	.405
III. DEVELOPMENT OPTIONS						
12. Authorities should encourage greater numbers of tourists	2.71	2.31	2.47	.468	47	.629
13. Authorities should encourage higher spending tourists	1.61	1.62	1.47	.324	48	.725
14. Authorities should encourage tourists to visit Crete outside the main summer season	1.72	1.94	2.06	.475	48	.625
IV. SATISFACTION FROM BUSINESS INCOME						
15. How satisfied have the owner been from this business profits?	2.24	2.83	3.07	2.690	47	0.78

¹ S = Small, M = Medium, L = Large

² df between groups = 2

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure P3: Mean scores of Likert scale statements
Independent - Size of AEs



APPENDIX Q: RESULTS OF THE RESIDENTS SURVEY χ^2 AND CRAMER'S V STATISTICS

		χ^2	Cramer's V	df	Sig.
D E P E N D E N T	INDEPENDENT VARIABLE: CITY OF RESIDENCE				
	1. Employment reliance in tourism	12.167	.251	3	.007
	2. Type of organisation employed	15.620	.321	3	.001
	3. Family affected by tourism	21.854	.336	3	.000
	4. Contribution of local authorities to tourism development	14.319	.192	6	.026
	5. Contribution of HNTO to tourism development	13.693	.188	6	.033
	6. Contribution of government to tourism development	20.565	.230	6	.002
	7. Support for further tourism development	5.469	.168	3	.141
D E P E N D E N T	INDEPENDENT VARIABLE: LENGTH OF RESIDENCE				
	1. Type of organisation employed	.713	.068	1	.431
	2. Employment reliance in tourism	.001	.003	1	.549
	3. Family affected by tourism	.541	.053	1	.462
	4. Contribution of local authorities to tourism development	1.935	.046	4	.818
	5. Contribution of HNTO to tourism development	.324	.041	2	.851
	6. Contribution of government to tourism development	2.051	.063	4	.678
	7. Support for further tourism development	4.32	.047	1	.511
D E P E N D E N T	INDEPENDENT VARIABLE: EMPLOYMENT RELIANCE				
	1. Type of organisation	20.529	.368	1	.000
	2. Family affected by tourism	4.245	.148	1	.028
	3. Contribution of local authorities to tourism development	.134	.026	2	.935
	4. Contribution of HNTO to tourism development	2.241	.108	2	.326
	5. Contribution of government to tourism development	2.228	.107	2	.328
D E P E N D E N T	INDEPENDENT VARIABLE: GENDER				
	1. Type of organisation employed	.333	.047	1	.706
	2. Employment reliance in tourism	1.337	.083	1	.156
	3. Family affected by tourism	.024	.011	1	.877
	4. Contribution of local authorities to tourism development	1.308	.082	2	.520
	5. Contribution of HNTO to tourism development	.181	.031	2	.913
	6. Contribution of government to tourism development	4.137	.146	2	.126
D E P E N D E N T	INDEPENDENT VARIABLE: AGE				
	1. Type of organisation employed	.473	.056	2	.789
	2. Employment reliance in tourism	12.368	.256	2	.002
	3. Family affected by tourism	6.100	.179	2	.047
	4. Contribution of local authorities to tourism development	7.587	.141	4	.108
	5. Contribution of HNTO to tourism development	8.935	.153	4	.063
	6. Contribution of government to tourism development	10.194	.164	4	.037
	7. Support for further tourism development	.193	.032	2	.908

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

- * The validity of the χ^2 test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

APPENDIX Q CONTINUED

		χ^2	Cramer's V	df	Sig.
D E P E N D E N T	INDEPENDENT VARIABLE: EDUCATION				
	1. Type of organisation employed	.912	.077	2	.634
	2. Employment reliance in tourism	2.433	.112	2	.296
	3. Family affected by tourism	2.908	.122	2	.234
	4. Contribution of local authorities to tourism development	1.483	.062	4	.830
	5. Contribution of HNTD to tourism development	7.171	.136	4	.127
	6. Contribution of government to tourism development	4.310	.105	4	.366
	7. Support for further tourism development	4.539	.153	2	.103
D E P E N D E N T	INDEPENDENT VARIABLE: INCOME				
	1. Type of organisation employed	4.148	.165	1	.042
	2. Employment reliance in tourism	1.358	.084	1	.244
	3. Family affected by tourism	1.613	.091	1	.204
	4. Contribution of local authorities to tourism development	3.335	.131	2	.189
	5. Contribution of HNTD to tourism development	5.344	.166	2	.069
	6. Contribution of government to tourism development	6.039	.176	2	.049
	7. Support for further tourism development	3.520	.135	1	.061
D E P E N D E N T	INDEPENDENT VARIABLE: CLUSTERS				
	1. City	5.851	.133	6	.440*
	2. Length of residence	3.046	.135	2	.218
	3. Employment reliance in tourism	2.296	.118	2	.317
	4. Gender	5.299	.179	2	.071
	5. Age	5.508	.130	4	.239
	6. Educational achievement	19.166	.240	4	.001*
	7. Income	1.659	.100	2	.436
	8. Type of organisation employed	.327	.050	2	.849*
	9. Family affected by tourism	5.417	.181	2	.067
	10. Contribution of local authorities to tourism development	6.145	.136	4	.189*
	11. Contribution of HNTD to tourism development	7.069	.146	4	.132
	12. Contribution of government to tourism development	4.718	.119	4	.318
	13. Support for further tourism development	6.136	.192	2	.047

Notes: For 2 x 2 table Fisher's exact test was computed

The values shown in bold indicate a statistical significance at the .05 level of confidence

* The validity of the chi square test results is questioned because 20% of the cells have expected count less than 5 and one or more cells have expected values less than 1.

APPENDIX R: RESULTS OF THE RESIDENTS SURVEY ANOVA AND T TESTS

Table R1: ANOVA tests and Mean Scores of Likert Scale statements
Independent – City of Residence

DEPENDENT VARIABLES	MEANS				F RATIO	df ² WITHIN GROUPS	Sig. ³
	H ¹	C ¹	R ¹	AN ¹			
I. SOCIAL IMPACTS							
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	1.90	2.12	2.20	2.10	1.386	187	.248
2. Tourism has led to an increase of infrastructure for local people	2.17	2.16	2.22	1.95	1.019	187	.385
3. The money that tourism brings in is of benefit to the whole community	2.49	2.54	2.36	1.95	3.734	188	.012
4. How advantageous are the impacts of tourism on your family?	2.65	2.57	2.39	2.10	4.788	188	.003
5. How advantageous are the impacts of tourism on the social life?	2.67	2.88	2.48	2.51	1.527	188	.209
6. Our household standard of living is higher because of the money that tourists spend here	3.11	3.08	2.80	2.23	7.174	189	.000
7. Tourism gives benefits to a small group of people in the region	3.23	2.92	3.50	3.36	3.044	188	.030
II. ECONOMIC IMPACTS							
8. How advantageous are the impacts of tourism on the Cretan economy?	1.42	1.57	1.53	1.49	1.556	187	.201
9. How advantageous are the impacts of tourism on Greek government's income?	1.38	1.63	1.67	1.44	3.176	188	.025
10. How advantageous are the impacts of tourism on employment?	1.49	1.76	1.52	1.54	1.740	189	.160
11. How advantageous are the impacts of tourism on the region's economy?	1.67	1.82	1.62	1.56	1.256	190	.291
12. Tourism attracts more spending in the region	1.78	1.82	1.71	1.67	.648	188	.585
13. Tourism attracts more investment in the region	1.87	1.96	1.88	1.82	.363	190	.780
14. There should be no government incentives for tourism development	1.89	2.06	2.06	1.82	.969	187	.408
15. Prices of many goods and services in the region have increased because of tourism	1.89	2.00	1.92	2.05	.336	189	.799
16. Non-residents should be allowed to develop tourism attractions in this area	2.87	2.67	2.78	2.68	.386	188	.763
17. Most of the money earned from tourism ends up going to out of the region companies	2.80	3.14	2.98	2.87	1.384	190	.249
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.28	3.32	3.00	3.15	.898	188	.443
19. There should be a specific tax on tourists	3.05	3.26	3.06	3.47	1.485	189	.220
20. Tourism creates more jobs for foreigners than for local people in the region	3.15	3.36	3.18	3.31	.588	189	.623

¹ H = Heraklio, C = Chania, R = Rethymno, AN = Nikolaos

² df between groups = 3

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Table R1 continued

DEPENDENT VARIABLES	MEANS				F RATIO	df ² WITHIN GROUPS	SIG. ³
	H ¹	C ¹	R ¹	AN ¹			
III. ENVIRONMENTAL IMPACTS							
21. This community should control tourism development	1.71	1.80	1.90	1.87	1.007	189	.391
22. Tourism provides an incentive for the restoration of historical buildings	1.94	2.08	1.96	1.85	1.031	189	.380
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.32	2.52	2.66	2.87	2.489	188	.062
24. Tourism provides an incentive for the conservation of natural resources	2.81	2.94	2.60	2.59	1.085	188	.357
25. How advantageous are the impacts of tourism on the environment?	3.55	3.38	3.16	2.85	3.514	189	.016
IV. OVERALL IMPACTS							
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.38	2.32	2.28	2.15	.587	190	.624
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.29	2.38	2.28	2.18	.497	190	.685
V. DEVELOPMENT OPTIONS							
28. Authorities in the future should encourage higher spending tourists	1.40	1.65	1.71	1.61	1.933	184	.126
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.48	1.96	1.76	1.54	3.611	187	.014
30. Authorities in the future should encourage greater numbers of tourists	2.50	2.52	2.38	1.61	6.046	183	.001

¹ H = Heraklio, C = Chania, R = Rethymno, AN = Nikolaos

² df between groups = 3

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure R1: Mean Scores of Likert Scale statements Independent – City of Residence

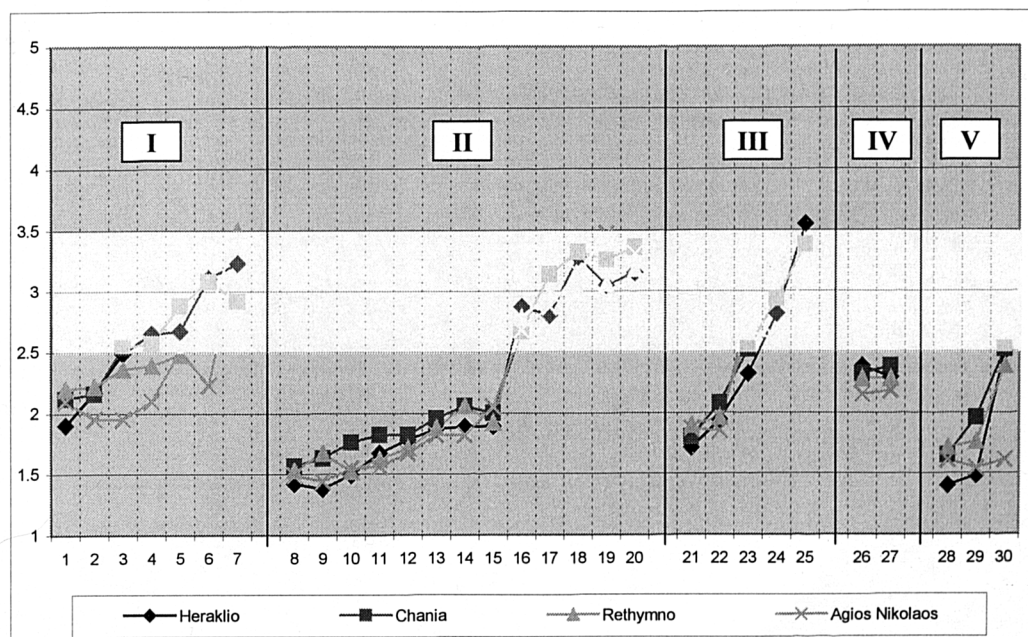


Table R2: T-tests and Mean Scores of Likert Scale statements
Independent – Length of Residence

DEPENDENT VARIABLES	MEANS		T	df	Sig. ²
	NC ¹	LL ¹			
I. SOCIAL IMPACTS					
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	2.21	2.03	1.314	79.389	.193
2. Tourism has led to an increase of infrastructure for local people	2.09	2.15	-.460	189	.646
3. The money that tourism brings in is of benefit to the whole community	2.42	2.34	.516	190	.606
4. How advantageous are the impacts of tourism on your family?	2.53	2.42	.841	190	.401
5. How advantageous are the impacts of tourism on the social life?	2.75	2.60	.906	190	.366
6. Our household standard of living is higher because of the money that tourists spend here	2.85	2.84	.037	191	.971
7. Tourism gives benefits to a small group of people in the region	3.34	3.21	.801	190	.424
II. ECONOMIC IMPACTS					
8. How advantageous are the impacts of tourism on the Cretan economy?	1.44	1.55	-1.152	189	.251
9. How advantageous are impacts of tourism on Greek government's income?	1.47	1.55	-.881	190	.379
10. How advantageous are the impacts of tourism on employment?	1.53	1.59	-.615	191	.540
11. How advantageous are the impacts of tourism on the region's economy?	1.51	1.74	-2.134	192	.034
12. Tourism attracts more spending in the region	1.69	1.77	-.917	190	.360
13. Tourism attracts more investment in the region	1.75	1.94	-1.764	192	.079
14. There should be no government incentives for tourism development	1.84	2.01	-1.192	189	.235
15. Prices of many goods and services in the region have increased because of tourism	1.94	1.96	-.159	191	.874
16. Non-residents should be allowed to develop tourism attractions in this area	2.67	2.79	-.698	190	.486
17. Most of the money earned from tourism ends up going to out of the region companies	2.85	2.99	-.945	192	.346
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.23	3.18	.300	190	.764
19. There should be a specific tax on tourists	3.26	3.16	.572	191	.568
20. Tourism creates more jobs for foreigners than for local people in the region	3.23	3.25	-.157	191	.875
III. ENVIRONMENTAL IMPACTS					
21. This community should control tourism development	1.81	1.82	-.080	191	.936
22. Tourism provides an incentive for the restoration of historical buildings	2.02	1.94	.745	191	.457
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.42	2.63	-1.346	190	.180
24. Tourism provides an incentive for the conservation of natural resources	2.55	2.63	2.397	190	.017
25. How advantageous are the impacts of tourism on the environment?	3.51	3.17	7.913	191	.057
IV. OVERALL IMPACTS					
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.26	2.30	-.303	192	.762
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.32	2.28	.356	192	.722
V. DEVELOPMENT OPTIONS					
28. Authorities in the future should encourage higher spending tourists	1.65	1.56	.823	186	.412
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.74	1.66	.559	189	.577
30. Authorities in the future should encourage greater numbers of tourists	2.39	2.26	.698	185	.486

¹ NC = Newcomers, LL = Long-life

² The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure R2: Mean Scores of Likert Scale Statements
Independent – Length of Residence

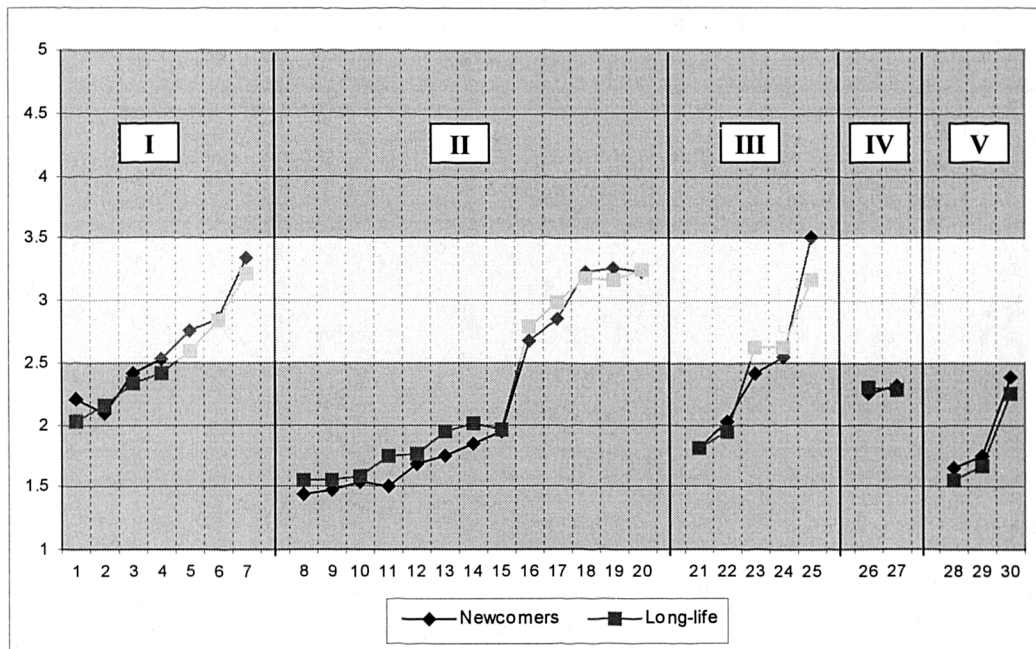


Table R3: T-tests Mean Scores of Likert Scale statements
Independent – Reliance in tourism employment

DEPENDENT VARIABLES	MEANS		T	df	Sig. ²
	NR ¹	R ¹			
I. SOCIAL IMPACTS					
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	2.15	2.03	1.115	188	.266
2. Tourism has led to an increase of infrastructure for local people	2.21	2.07	1.284	188	.201
3. The money that tourism brings in is of benefit to the whole community	2.56	2.20	2.686	174	.008
4. How advantageous are the impacts of tourism on your family?	2.77	2.55	3.368	189	.001
5. How advantageous are the impacts of tourism on the social life?	2.74	2.50	1.512	189	.132
6. Our household standard of living is higher because of the money that tourists spend here	3.12	2.62	3.334	190	.001
7. Tourism gives benefits to a small group of people in the region	3.20	3.29	-.615	190	.539
II. ECONOMIC IMPACTS					
8. How advantageous are the impacts of tourism on the Cretan economy?	1.67	1.40	3.184	188	.002
9. How advantageous are the impacts of tourism on Greek government's income?	1.68	1.41	3.312	186	.001
10. How advantageous are the impacts of tourism on employment?	1.71	1.47	2.649	190	.009
11. How advantageous are the impacts of tourism on the region's economy?	1.83	1.56	2.849	191	.005
12. Tourism attracts more spending in the region	1.81	1.70	1.349	189	.179
13. Tourism attracts more investment in the region	2.05	1.76	3.111	191	.002
14. There should be no government incentives for tourism development	2.06	1.88	1.414	188	.159
15. Prices of many goods and services in the region have increased because of tourism	2.03	1.89	1.191	190	.235
16. Non-residents should be allowed to develop tourism attractions in this area	2.79	2.73	.404	189	.686
17. Most of the money earned from tourism ends up going to out of the region companies	3.06	2.86	1.572	190	.118
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.25	3.16	.557	189	.578
19. There should be a specific tax on tourists	3.00	3.35	-2.245	190	.026
20. Tourism creates more jobs for foreigners than for local people in the region	3.17	3.29	-.875	190	.383
III. ENVIRONMENTAL IMPACTS					
21. This community should control tourism development	1.83	1.81	.204	190	.838
22. Tourism provides an incentive for the restoration of historical buildings	2.01	1.93	.876	189	.382
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.53	2.60	-.506	189	.613
24. Tourism provides an incentive for the conservation of natural resources	2.86	2.66	1.241	189	.216
25. How advantageous are the impacts of tourism on the environment?	3.25	3.26	-.027	190	.826
IV. OVERALL IMPACTS					
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.40	2.21	1.604	177	.110
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.33	2.25	.705	191	.482
V. DEVELOPMENT OPTIONS					
28. Authorities in the future should encourage higher spending tourists	1.48	1.68	-2.002	185	.047
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.63	1.71	-.624	188	.533
30. Authorities in the future should encourage greater numbers of tourists	2.19	2.37	-1.033	184	.303

¹ NR = Non-reliant, R = Reliant

² The values shown in bold indicate a statistical significance at the .05 level of confidence

**Figure R3: Mean Scores of Likert Scale statements
Independent – Reliance in tourism employment**

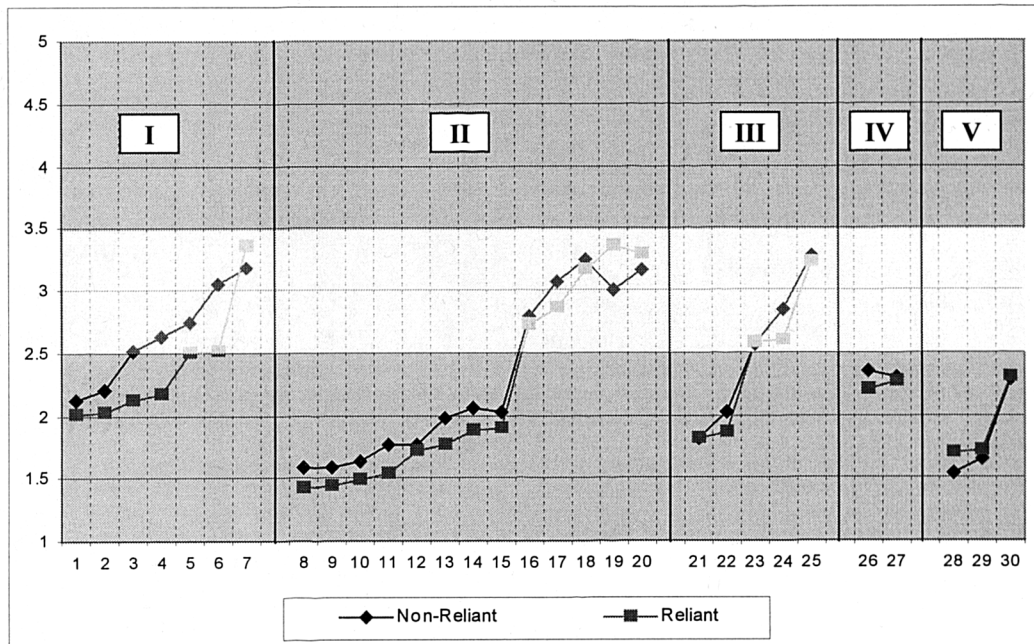


Table R4: T-tests and Mean Scores of Likert Scale statements
Independent – Gender

DEPENDENT VARIABLES	MEANS		T	df	Sig. ²
	M ¹	F ¹			
I. SOCIAL IMPACTS					
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	2.01	2.18	-1.516	189	.131
2. Tourism has led to an increase of infrastructure for local people	2.09	2.21	-1.021	189	.309
3. The money that tourism brings in is of benefit to the whole community	2.37	2.35	.164	190	.870
4. How advantageous are the impacts of tourism on your family	2.42	2.49	.614	190	.540
5. How advantageous are the impacts of tourism on the social life?	2.58	2.72	-.920	190	.359
6. Our household standard of living is higher because of the money that tourists spend here	2.82	2.89	-.459	191	.647
7. Tourism gives benefits to a small group of people in the region	3.17	3.35	-1.257	190	.210
II. ECONOMIC IMPACTS					
8. How advantageous are the impacts of tourism on the Cretan economy?	1.48	1.59	-1.259	189	.210
9. How advantageous are the impacts of tourism on Greek government's income?	1.50	1.58	-.886	190	.377
10. How advantageous are the impacts of tourism on employment?	1.54	1.63	-.896	191	.371
11. How advantageous are the impacts of tourism on the region's economy?	1.62	1.75	-1.305	192	.194
12. Tourism attracts more spending in the region	1.80	1.68	1.333	190	.184
13. Tourism attracts more investment in the region	1.90	1.86	.437	192	.662
14. There should be no government incentives for tourism development	2.03	1.87	1.241	189	.216
15. Prices of many goods and services in the region have increased because of tourism	2.08	1.79	2.355	191	.020
16. Non-residents should be allowed to develop tourism attractions in this area	2.65	2.92	-1.775	190	.077
17. Most of the money earned from tourism ends up going to out of the region companies	2.91	3.00	-.669	192	.504
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.04	3.42	-2.473	190	.014
19. There should be a specific tax on tourists	3.40	2.89	3.360	191	.001
20. Tourism creates more jobs for foreigners than for local people in the region	3.30	3.16	.983	191	.327
III. ENVIRONMENTAL IMPACTS					
21. This community should control tourism development	1.85	1.76	1.025	191	.307
22. Tourism provides an incentive for the restoration of historical buildings	1.95	1.99	-.431	191	.667
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.65	2.46	1.354	190	.177
24. Tourism provides an incentive for the conservation of natural resources	2.67	2.86	-1.163	190	.246
25. How advantageous are the impacts of tourism on the environment?	3.08	3.52	-2.920	188	.004
IV. OVERALL IMPACTS					
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.25	2.35	-.785	192	.433
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.20	2.41	-1.894	192	.060
V. DEVELOPMENT OPTIONS					
28. Authorities in the future should encourage higher spending tourists	1.61	1.55	.551	186	.582
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.66	1.71	-.332	189	.740
30. Authorities in the future should encourage greater numbers of tourists	2.26	2.35	-.449	185	.618

¹ M = Male, F = Female

² The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure R4: Mean Scores of Likert Scale statements
Independent – Gender

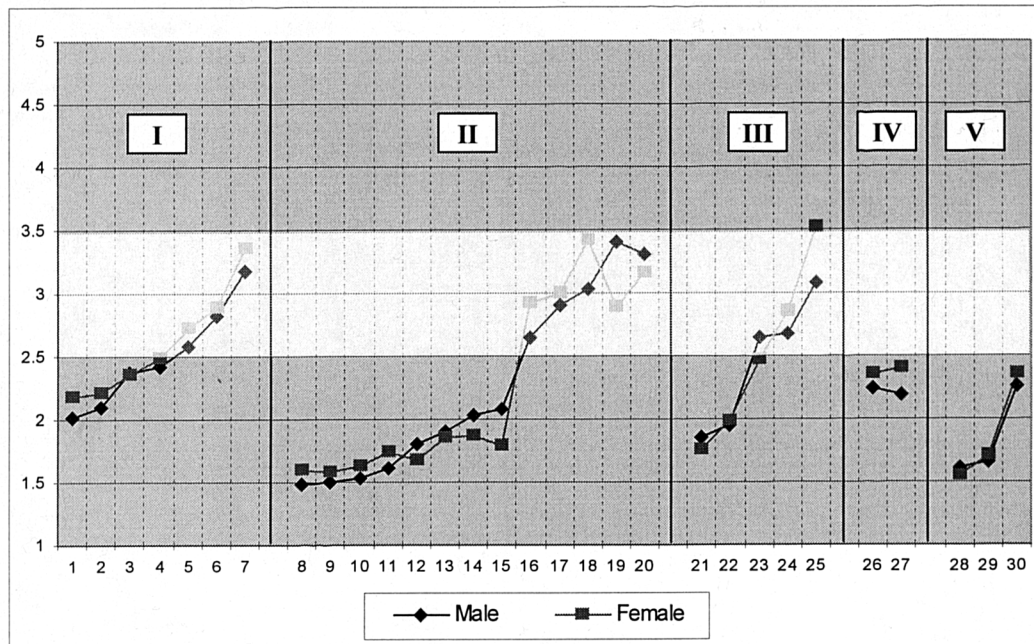


Table R5: ANOVA tests and Mean Scores of Likert Scale statements
Independent – Age

DEPENDENT VARIABLES	MEANS			F RATIO	df ² WITHIN GROUPS	SIG. ³
	Y ¹	M ¹	O ¹			
I. SOCIAL IMPACTS						
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	2.22	1.95	2.02	2.244	184	.109
2. Tourism has led to an increase of infrastructure for local people	2.12	2.15	2.12	.035	184	.966
3. The money that tourism brings in is of benefit to the whole community	2.36	2.43	2.28	.376	185	.687
4. How advantageous are the impacts of tourism on your family?	2.64	2.22	2.45	5.060	186	.007
5. How advantageous are the impacts of tourism on the social life?	2.70	2.61	2.63	.141	185	.869
6. Our household standard of living is higher because of the money that tourists spend here	3.00	2.70	2.87	1.350	187	.262
7. Tourism gives benefits to a small group of people in the region	3.22	3.25	3.27	.041	185	.960
II. ECONOMIC IMPACTS						
8. How advantageous are the impacts of tourism on the Cretan economy?	1.46	1.63	1.48	1.449	184	.238
9. How advantageous are the impacts of tourism on Greek government's income?	1.51	1.58	1.49	.338	185	.714
10. How advantageous are the impacts of tourism on employment?	1.53	1.62	1.58	.294	186	.746
11. How advantageous are the impacts of tourism on the region's economy?	1.61	1.73	1.67	.500	187	.607
12. Tourism attracts more spending in the region	1.72	1.70	1.83	.851	185	.429
13. Tourism attracts more investment in the region	1.86	1.87	1.95	.387	187	.680
14. There should be no government incentives for tourism development	1.96	1.88	2.07	.716	184	.490
15. Prices of many goods and services in the region have increased because of tourism	2.03	1.83	2.00	.932	186	.396
16. Non-residents should be allowed to develop tourism attractions in this area	2.97	2.62	2.62	2.532	185	.082
17. Most of the money earned from tourism ends up going to out of the region companies	2.93	2.88	3.08	.845	187	.431
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.38	3.15	3.00	2.041	185	.133
19. There should be a specific tax on tourists	3.20	3.12	3.24	.193	186	.824
20. Tourism creates more jobs for foreigners than for local people in the region	3.17	3.10	3.43	2.181	187	.116
III. ENVIRONMENTAL IMPACTS						
21. Tourism provides an incentive for the restoration of historical buildings	2.00	1.90	1.98	.435	186	.648
22. This community should control tourism development	1.86	1.66	1.90	2.622	186	.075
23. Tourism provides an incentive for the conservation of natural resources	2.79	2.65	2.77	.754	185	.754
24. How advantageous are the impacts of tourism on the environment?	3.54	3.31	2.87	6.492	186	.002
25. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.61	2.54	2.53	.109	185	.897

¹ Y = Young-aged, M = Medium-aged, O = Old-aged

² df between groups = 2.

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Table R5 Continued

DEPENDENT VARIABLES	MEANS			F RATIO	df WITHIN GROUPS	SIG. ²
	Y ¹	M ¹	O ¹			
IV. OVERALL IMPACTS						
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.39	2.27	2.23	.596	187	.552
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.37	2.33	2.17	1.240	187	.292
V. DEVELOPMENT OPTIONS						
28. Authorities in the future should encourage higher spending tourists	1.56	1.53	1.63	.309	181	.735
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.89	1.56	1.51	4.036	185	.019
30. Authorities in the future should encourage greater numbers of tourists	2.24	2.44	2.17	.844	181	.432

¹ Y = Young aged, M = Medium aged, O = Old aged

² df between groups = 2.

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure R5: and Mean Scores of Likert Scale statements Independent – Age

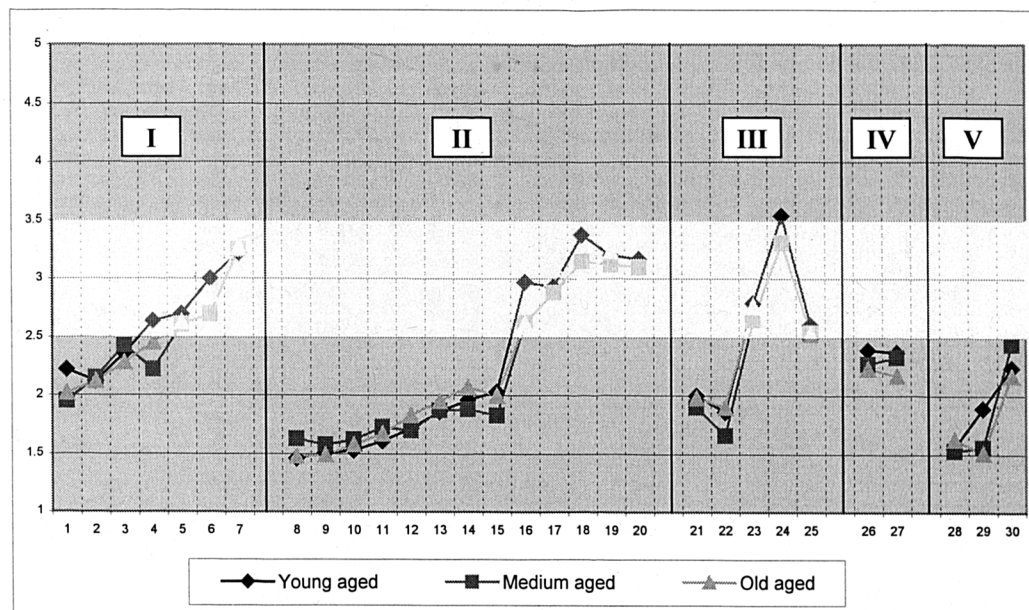


Table R6: ANOVA tests and Mean Scores of Likert Scale statements
Independent – Education

DEPENDENT VARIABLES	MEANS			F RATIO	df ² WITHIN GROUPS	SIG. ³
	L ¹	M ¹	H ¹			
I. SOCIAL IMPACTS						
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	2.05	2.04	2.15	.421	188	.657
2. Tourism has led to an increase of infrastructure for local people	2.12	2.05	2.25	1.192	188	.306
3. The money that tourism brings in is of benefit to the whole community	2.42	2.34	2.34	.113	189	.893
4. How advantageous are the impacts of tourism on your family?	2.21	2.56	2.48	2.870	189	.059
5. How advantageous are the impacts of tourism on the social life?	2.48	2.63	2.75	.976	189	.379
6. Our household standard of living is higher because of the money that tourists spend here	2.57	2.91	2.93	1.857	190	.159
7. Tourism gives benefits to a small group of people in the region	3.07	3.12	3.49	3.358	189	.037
II. ECONOMIC IMPACTS						
8. How advantageous are the impacts of tourism on the Cretan economy?	1.78	1.42	1.49	5.259	188	.006
9. How advantageous are the impacts of tourism on Greek government's income?	1.71	1.48	1.49	2.456	189	.088
10. How advantageous are the impacts of tourism on employment?	1.74	1.57	1.49	2.007	190	.137
11. How advantageous are the impacts of tourism on the region's economy?	1.88	1.67	1.56	3.254	191	.041
12. Tourism attracts more spending in the region	1.86	1.81	1.61	3.388	189	.036
13. Tourism attracts more investment in the region	1.91	1.98	1.77	1.941	191	.146
14. There should be no government incentives for tourism development	2.14	1.93	1.90	1.245	188	.290
15. Prices of many goods and services in the region have increased because of tourism	2.05	2.11	1.72	4.197	190	.016
16. Non-residents should be allowed to develop tourism attractions in this area	2.58	2.78	2.86	.902	189	.408
17. Most of the money earned from tourism ends up going to out of the region companies	2.91	2.81	3.13	2.387	191	.095
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.05	3.22	3.25	.529	189	.590
19. There should be a specific tax on tourists	3.17	3.20	3.20	.014	190	.986
20. Tourism creates more jobs for foreigners than for local people in the region	2.90	3.21	3.49	5.473	190	.005
III. ENVIRONMENTAL IMPACTS						
21. This community should control tourism development	1.81	1.90	1.71	1.748	190	.177
22. Tourism provides an incentive for the restoration of historical buildings	1.95	1.88	2.07	1.825	190	.164
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.70	2.73	2.31	3.752	189	.025
24. Tourism provides an incentive for the conservation of natural resources	2.28	2.61	3.19	10.527	189	.000
25. How advantageous are the impacts of tourism on the environment?	2.69	3.22	3.66	11.275	190	.000

¹ L = Less-educated, M = Medium-educated, H = Highly-educated

² df between groups = 2.

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

Table R6 Continued

DEPENDENT VARIABLES	MEANS			F RATIO	df ² WITHIN GROUPS	SIG. ³
	L ¹	M ¹	H ¹			
IV. OVERALL IMPACTS						
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.37	2.30	2.24	.318	191	.728
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.19	2.28	2.36	.661	191	.517
V. DEVELOPMENT OPTIONS						
28. Authorities in the future should encourage higher spending tourists	1.67	1.57	1.55	.372	185	.690
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.58	1.81	1.59	1.597	188	.205
30. Authorities in the future should encourage greater numbers of tourists	2.30	2.04	2.57	3.820	184	.024

¹ L = Less-educated, M = Medium-educated, H = Highly-educated

² df between groups = 2.

³ The values shown in bold indicate a statistical significance at the .05 level of confidence

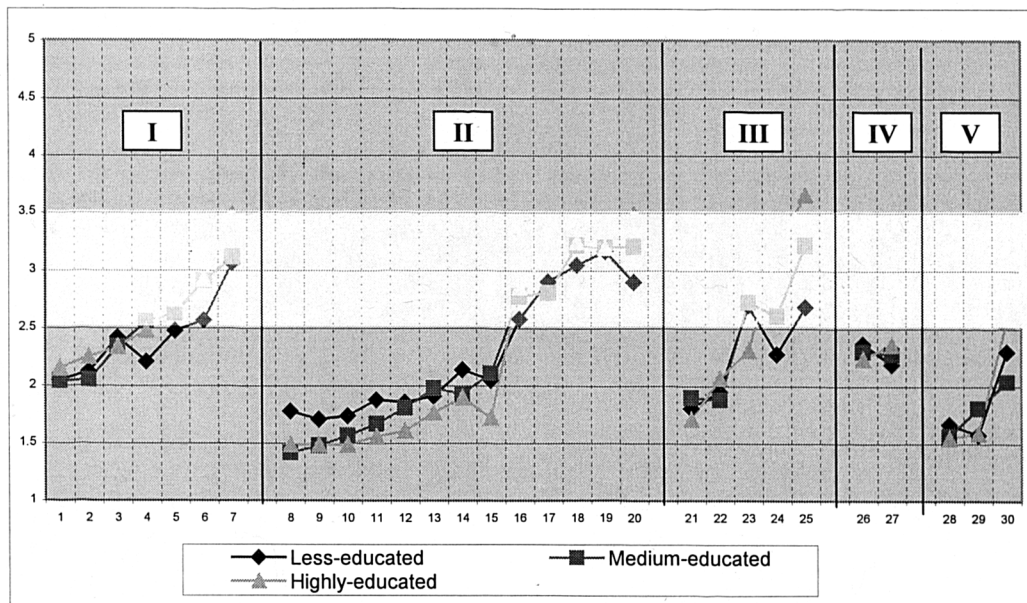
Figure R6: Mean Scores of Likert Scale statements
Independent – Education

Table R7: T-test and Mean Scores of Likert Scale statements
Independent – Income

DEPENDENT VARIABLES	MEANS		T	df	Sig. ²
	L ¹	H ¹			
I. SOCIAL IMPACTS					
1. Tourism encourages a variety of cultural activities by the local population (e.g. crafts, arts, music)	2.04	2.12	-.742	189	.459
2. Tourism has led to an increase of infrastructure for local people	2.07	2.21	-1.236	189	.218
3. The money that tourism brings in is of benefit to the whole community	2.40	2.31	.681	190	.497
4. How advantageous are the impacts of tourism on your family?	2.45	2.46	-.041	190	.967
5. How advantageous are the impacts of tourism on the social life?	2.55	2.74	-1.279	190	.203
6. Our household standard of living is higher because of the money that tourists spend here	2.93	2.74	1.247	191	.214
7. Tourism gives benefits to a small group of people in the region	3.22	3.28	-.423	190	.672
II. ECONOMIC IMPACTS					
8. How advantageous are the impacts of tourism on the Cretan economy?	1.48	1.58	-1.187	189	.237
9. How advantageous are the impacts of tourism on Greek government's income?	1.55	1.51	.585	190	.559
10. How advantageous are the impacts of tourism on employment?	1.59	1.56	.296	191	.768
11. How advantageous are the impacts of tourism on the region's economy?	1.66	1.69	-.333	192	.740
12. Tourism attracts more spending in the region	1.80	1.69	1.377	190	.170
13. Tourism attracts more investment in the region	1.86	1.91	-.519	192	.604
14. There should be no government incentives for tourism development	1.98	1.94	.299	189	.766
15. Prices of many goods and services in the region have increased because of tourism	1.99	1.92	.548	191	.584
16. Non-residents should be allowed to develop tourism attractions in this area	2.72	2.81	-.591	190	.555
17. Most of the money earned from tourism ends up going to out of the region companies	2.94	2.96	-.110	192	.912
18. Non-Cretan owned businesses are beneficial for the region's tourist industry	3.22	3.17	.317	190	.752
19. There should be a specific tax on tourists	3.14	3.25	-.741	191	.460
20. Tourism creates more jobs for foreigners than for local people in the region	3.09	3.42	-2.534	191	.012
III. ENVIRONMENTAL IMPACTS					
21. This community should control tourism development	1.84	1.78	.715	191	.475
22. Tourism provides an incentive for the restoration of historical buildings	1.93	2.00	-.752	191	.453
23. The construction of hotels and other tourist facilities has destroyed the natural environment in the region	2.60	2.54	.368	190	.713
24. Tourism provides an incentive for the conservation of natural resources	2.68	2.81	-.798	190	.426
25. How advantageous are the impacts of tourism on the environment?	3.29	3.23	.397	191	.691
IV. OVERALL IMPACTS					
26. Overall, the benefits of tourism are greater than the costs to the people of the area	2.31	2.27	.299	192	.765
27. Overall, the benefits of tourism are greater than the costs to Crete as a whole	2.29	2.29	.050	192	.960
V. DEVELOPMENT OPTIONS					
28. Authorities in the future should encourage higher spending tourists	1.57	1.61	-.397	186	.692
29. Authorities in the future should encourage tourists to visit Crete outside the main summer season	1.71	1.65	.497	189	.620
30. Authorities in the future should encourage greater numbers of tourists	2.16	2.44	-1.632	175	.105

¹ L = Low-income, H = High-income

² The values shown in bold indicate a statistical significance at the .05 level of confidence

Figure R7: Mean Scores of Likert Scale statements
Independent – income

