

Local development of small islands with intense specialisation in tourism: cost and benefits in the framework of sustainable development

I. S. Klabatsea

*Department of Urban and Regional Planning, School of Architecture,
National Technical University of Athens, Greece*

Abstract

Some small Greek islands, that in recent years have come under intense pressure because of increased tourism, change radically during the year and become two completely different places. In winter they are small isolated islands with a reduced population, while in summer they receive an extremely large number of tourists. This is the major activity of the local economy and it continuously sets aside the traditional arts and occupations. Because of this, and the interest that the population shows for the tourist activity, various impacts for the region are being registered, such as the transformation of quiet or remote areas into much frequented destinations, the deterioration of the local culture, the perturbation of proportions of both open and built space, the abandonment of traditional know-how as well as the indisputable reinforcement of the local economy of these regions and the effects on a diminishing local population, particularly those of productive ages.

The necessity of the planned preservation of the small islands' fragile comparative advantage is supported as a basic condition for their sustainable development through the adoption of the respective possibilities and restrictions for the local development.

Keywords: spatial specialisation in tourism, spatial planning, small islands, sustainable development, comparative advantage.



1 Introduction

In the past few years, small Greek islands are under increasing pressure because of the growth in tourist activity and are transformed during the year into two completely different areas. From being isolated islands with a small and shrinking population during the winter, they are transformed during the summer season into places receiving massive tourism, multiplying their population and economical units. These changes are at the expense of the other activities that have traditionally supported these local economies and societies.

Having as an axis the tourist's number increment and the maximization of the short-term economical benefit, special locations of interest are being very quickly transformed into impersonal receptionists for supplying room and food services. These areas are now characterized by functional specialisation of a different type of intensity, depending on the case. There are registered cases with an emerging inclination of having this functional specialisation in tourism, cases with a clear and declared respective specialisation, but also cases where the grade of specialisation is tending to be consolidated as one-kind of tourist activity, with characteristics of the massive and impersonal traits as mentioned above. The graduation of this phenomena's intensity covers a wide range of areas [1], insular or coastal [2], that are orientated or have based, or/and continue until today to base their development on a functional specialisation in tourism [3].

In this increasing tourist demand for these areas, the local societies responded immediately and the structure of the local labour markets, as it was expected, responding to the demands (impositions) of the functional specialisation of these areas, was radically changed while most of the traditional capabilities of the local labour were abandoned (mostly agricultural professions) for the benefit of the offered services of the key-activity [4].

The local economy and labour market were based, until ten to fifteen years ago, in primary sector activities such as small cultivations, fishing and cattle-raising. During the last few years a clear orientation towards the tourist activity is registered, without any control or limitation. These areas are being transformed into receptionists of a continuously increasing tourist demand, which is directly related to their characterization as "small, isolated and less popular" areas.

The result of this increasing functional specialisation is the registered labour mobility of local labour in activities directly related to tourism and the radical reorganization of the local labour markets with the substantial abandonment of the traditional occupations and capabilities. Despite the perception of the locals that this specialisation has contributed to the removal or limitation of these area's inferiority, in the present work it is supported that in the long term the continuation of this specialisation can turn to a bronchus for their sustainable developing prospective, especially in periods of crisis or recession of tourism. We are looking for the necessary terms of preserving the comparative advantages in tourist oriented areas with similar characteristics, given the experience of areas with a high level of dependence of local societies and economies on an industrial



activity-one-dimension development [5], that have been led internationally to a “development dead end”, creating redundant space and labour [6,7] already since the 1980s, but in the Greek area during the 1990s [8].

The questions that arise are the following: is the operational specialisation that continuously increases, the best solution for supporting the economy and the society of areas with fragile ecosystems? How can the exploitation of the local characteristic/resource (quiet, small and relatively virgin areas) improve the quality of life of people that live in these small islands, and when does it start being considered as a destruction of this reserve? What are the factors that define these limits? How is the cost and benefit estimated in these cases in the light of planning that aims to help sustainable development of these regions? Can the implementation of a framework of regulations, terms and conditions concerning the protection of the natural and cultural environment of these places help and if yes, how?

The research of these questions is based on an empirical research, made in a characteristic case of the Greek insular territory [3].

2 Methodological approach

Having as an aim the pursuit of the mechanisms of transforming small islands' comparative advantage into the main suspending factor of their sustainable development in the immediate future, an empirical research was planned and realized concerning the case of Koufonisi. This is a small island in the Cyclades, of 5–7-sq.km area, with a resident population of about 300 persons during the winter period. The island is receiving a constant and intensifying tourist flow during the summer period in the last ten to fifteen years. Through a random sampling, 30 firms (tourist accommodation businesses that have their activity on the island) out of the total 75 working on the island were chosen. The capacity of the sample units comes up to 650 beds, while the total capacity is estimated around 1600 beds (2005).

2.1 The main research questions

The main research questions concern:

- The functional specialisation in tourism and support of small islands' economies and societies.
- The degree of intensity and ways of development of the local comparative advantage and improvement of the quality of life of the population of the small islands.
- The definition's parameters of the comparative advantage, such as limits of its destruction.
- The assessment of cost and benefit on the basis of the sustainable developing perspective of small islands.
- The contribution of a framework of regulatory terms and conditions for the preservation of the comparative advantage and the complete protection of the local identity of small islands.



2.2 The main research axis

The questionnaire-form was planned in such a way that can support the research of the main axis that focuses:

- on the procedure of achieving the functional specialisation of an area characterized by elements of inferiority due to the isolation and the consequent decline,
- on the procedure of transforming the local comparative advantage – directly related to the characteristic of isolation- into an obstacle of a sustainable development prospective,
- on the way of perceiving the functional specialisation of the area from the resident population and businessmen,
- on the way of facing the emerging tendency of maintaining the inferiority of the area- focused on other characteristics, such as the alteration of the basic local particularities and saturation.

3 The results of the empirical research

3.1 The businesses and businessmen identity

The 80% of the sample tourist units are “rooms to let” and 10% are hotel units. For representative reasons the island’s camping and a unit of traditional guesthouses were included in the sample.

In 75% of the units up to 3 persons are employed (seasonally), in 20% 4–8 persons, while 10 persons are employed in only one sample unit. The percentage of the local manpower employed in these units varies from 0 (30% of the units) to 100% (35% respectively). In the overwhelming majority the rest of the employees are foreigners – economical immigrants who come mostly from the Balkans and east European countries.

The family character is ascertained for more than 70% of the units. It is mentioned that 50% of the units operate exclusively with family members, while another 20% states the owner as the only employee. The contribution of family work is estimated for less than 25% of the employee’s totality, in 10% of the sample unit.

3.2 The incorporation of the tourist units in the island’s working production system

Until the early 1990s Koufonisi had an extremely limited tourist infrastructure and facilities. Only 10% of the sample units were founded before 1980, 5% during the 1980s, while the vast majority (80%) were founded during the decade of 1990. Founding the units in most cases was an idea of the businessman himself or his wider family (ascendants or descendants), based exclusively on observing the increasing tourist movement looking for alternative vacation based on relaxation and isolation to some extent.

It should be mentioned that 60% of today’s tourist businessmen used to have another occupation during the foundation of the tourist units, in most cases not



directly connected with tourist activity. It is also ascertained that most owners do not move professionally in an exclusive way, but on the contrary, they are multi-occupied, mainly due to the seasonal nature of the tourist activity. In other words, they maintain their original occupation and in parallel they also run their tourist accommodation. There are a small number of employees per unit (owner excluded).

The income coming from operating the island's tourist units is estimated to be 50% of the family income for respectively half of the households. 10% of the businesses estimate the relative proportion as less than 50%, while the remaining 40%, more than 60%.

The continuously increasing tourist activity in the island has led to the increase of the investments that concern its infrastructure (mostly accommodation units). According to the research results, only 10% of the island's businessmen estimate the course of their businesses as stable, while 90% estimates it as positive (since its foundation until today). The assessment, though, for the future course of the business, appears diversified, as 60% believe it will rise, 35% that it will be stable, while only 5% believes it will be descending due to overloading.

Most of the sample units are characterized as small-medium units. In particular, 15% of the sample units have a capacity of up to 10 beds, 40% have capacity ranging between 11–20 beds and 10% respectively between 21–50 beds. It is registered as an extremely high percentage, for the island's scale, of units that have a capacity of over 50 beds (20%) and also the operation of camping with a capacity of 250 pitches for tents. The period of full operation of these units is estimated to be on average 50–60 days annually (according to the assessments of 65% of the island's tourist businessmen) while the longest is 90 days (20% of the participants). As for the services offered by these accommodations, it is registered that an extremely small number of units include food or entertainment services. More specifically, 10% of the units include pool and breakfast facilities and only 5% serve lunch and drink. This concerns only hotel units and not rooms to let or traditional hostels.

3.3 The diachronic evolution of the tourist typology

Domestic tourism is appointed as of a determinative contribution in the total, as in 50% of the sample units the contribution of Greek tourists goes over 70% and in the 45% ranges between 50–70% respectively. The exclusive contribution of foreign tourists concerns only 10% of the units. The island is mostly a destination for Italians, French and Scandinavians. Almost entirely, visiting and staying on the island is done individually, not organized and is related to the high percentage of the domestic tourists as part of the total tourist that Koufonisi receives. The typology of the island's visitors includes equally families and groups of friends. While 55% of visitors' income is 40% higher than the average income. Koufonisi is a favourite destination mostly for the young population and middle aged people, while elderly tourists account for 5% of the total number of the island's visitors.



The average stay duration varies from 7–10 days for 70% of the tourists and 11–20 days for the rest (30%). The relatively long stay is a characteristic indication of the island's dominant tourist model. It is remarkable that 80% of those that stay in tourist accommodation are regular clients and 15% visit the island after information given by their families or friends who have visited the island. It is also a characteristic of the island's tourist typology of the fact that 80–90% of its visitors remains there constantly, while it is estimated that only 10–20% go on a daily excursion to the near small islands (Iraklia, Schinoussa, Donousa etc). According to the vast majority of the local businessmen (95%) the island offers to its visitors relaxing and calm vacations.

3.4 The probability of tourism decline

One of the axes of the research was based on the hypothetical scenario of a drastic reduction in the tourist arrivals on the island. The impacts of that scenario – according to island's businessmen – have been examined. Income reduction, unemployment, emigration, life quality etc have been identified as the major negative impacts of such a hypothetical crisis. More specifically, 50% of the sample businessmen consider the main consequence being the important reduction of the local income, 10% of the unemployment increase and 25% consider as the main effect the combination of unemployment and income reduction. Individually, some people consider as the most serious impacts the combinations of unemployment, the island's abandonment by the young and productive population, the downgrading of the quality of life for the island's population and the loan pressure. In the same hypothetical scenario of reversing the island's tourist domination, the fishing traditional occupation seems to be an only way for supporting the local economy. 90% of the participants choose fishing in an exclusive way, while 10% estimates that the combination of fishing and building activity could alternatively support the local labour market.

4 Transforming a local characteristic into a comparative advantage: cost and benefits in the framework of increasing specialisation

4.1 The gradual transformation of a local resource into a comparative advantage

The geographical and transport isolation of a small island, without any doubt, was the determinative factor that formed the character for decades as a place of inferiority, but also a place for relaxation, nature and seascapes. Its small human capacity, the limited possibilities of employment and also the insufficient or/and non-existent social structures were feeding the inferiority, classifying the island as the 'less favorite area' of the country.

The conditions of the relative isolation or/and shrinkage formed the framework that made the island an attractive destination for groups of visitors seeking alternative tourism possibilities in areas that weren't under the influence



of massive tourism of the usual tourist destinations. The island's inferiority has led towards the preservation, until the early 1990s, of its character, its authenticity and particularities. The minimum infrastructures of the tourist services that were registered until then in the island are an indication of its production structure, that have been based mostly in fishing. The response of the local society to the increasing tourist demand based upon the inferiority characteristics that insured tranquility, isolation and authenticity conditions, was almost immediate. Therefore, a transforming procedure of an inferiority characteristic into a comparative advantage that could attract a new activity (tourism) is evident, and can theoretically create a new developing tendency in this 'less favorite area'. After only few years there is a tendency of consolidating a singular, functional, specialisation that lasts until today. The ensuring of a higher economical rendering with an easier way and in less time, compared to the rural activities, is appointed as the basic factor of consolidating the dominant tourist activity as far as the employment and the local society is concerned.

4.2 Social and economical impacts

During this phase various social-economical impacts have been registered, supplying until today structure of the area:

- shrinking of rural activity and employment and parallel depreciation of the rural area of the wider territory
- continuous labour mobility oriented tourist activity, without prior education and specialisation of the manpower
- systematic arrival and residence in the region of people living in other areas of the country, in many instances economical immigrants that follow, under the same circumstances as the local population, the labour mobility course
- limited social mobility (inter-genealogically) during the local comparative advantage, as a result of the more rendering employment prospective for the new generations (in their majority) in tourism
- continuous support of the *key-activity* at the expense of other activities, mostly those that could not support tourist activity production system, with the result of their continuous shrinkage.

In the empirical research the continuous expansion of the tourist activity that caused chain reaction impacts to the local market and society has been registered. The rise of the local incomes and the stay in the island of its productive and young population are the most positive impacts. Major alternatives or/and exhaustion of the local characteristics, motives that supported the last decade's economic development could be endangered by:

- a. the unlimited and unrestricted continuation of the comparative advantage's expansive dominance of the exploitation of the "small, isolated, relaxed, virgin place" over the other local characteristics and
- b. the continuous development of tourist accommodations for the high number of visitors-number incompatible with the character and size of the island.



The evaluation components of the fragility grade both of the local characteristic-comparative advantage along with the dominant activity included among other elements, the structure and construction of the dominant activity, the duration of the dominance expansion, its territorial range, the structure of the present local labour market, the creation or/and maintenance of the professional tradition, the registered labour mobility tendency, the structure of investments that take in the interested area or in a wider territory and the efficiency of the institutional framework for spatial planning.

4.3 The assessment of the cost and benefit

The ex-ante assessment of the cost and benefit to these areas, such as the small islands, ought to assess their social, financial and environmental components and their dynamic ones at the same time. The long term assessment of cost and benefit is effected through the assessment of the impacts of this procedure on the developing conditions of the region of research, mainly on the basis of the future perspective of sustainable development. The main components of the developing basis and the potential of the region that are taken into consideration are, the population, the employment, the local economy and the local productive system, the natural and anthropogenic environment and its local identity.

In Tables 1 and 2 the impacts on small islands during the procedure of transformation of the local advantage into an obstacle for its sustainable development are being evaluated per component. The phases that are clearly discerned do not have evident limits and are used and illustrated for methodological reasons by specialising the procedure that is followed in similar cases.

Table 1: Impacts on the main components of small islands.

Components of developing basis and potential of small islands	Population	Employment	Local Economy	Natural Environment	Anthropogenic Environment	Local Culture / Identity
Time Periods						
Period A: Up to the incorporation of the tourist activity into the local productive system	-	-	-	++	++	++
Period B: Expansion and enlargement of the tourist activity	+	+	+	0	0	0
Period C: Domination	++	++	++	-	-	-
Period D: Continuous increase of the functional specialisation in tourism	+	+	+	--	--	--
Period E: Decrease of the contribution of the tourist activity to the productive system	-	-	-	--	--	--

+: positive, 0: zero, -: negative.



Table 2: Main social, economical and environmental impacts during the procedure of functional specialisation in small islands.

Components of developing basis and potential of small islands	Population	Employment	Natural resources	Anthropogenic environment	Quality of life	Local culture – identity
Main social, economical and environmental impacts						
Support of local economy (1)	+	+	0 -	0 -	+	0
Environment protection (2)	0	0	+	+	+	+
Support of local economy and environment protection (1+2)	+	+	0 +	0 +	+	+
Preservation of local characteristics (3)	0	0	+	+	+	+
Local Sustainable Development (1+2+3)	+	+	+	+	+	+

+: positive, 0: zero, -: negative.

5 Conclusion

The incorporation of the local area's comparative advantage and its use by an activity in an almost exclusive way, contributes decisively to its consolidation procedure as a key-activity and to the formation of a high-grade functional specialisation in an area. The functional specialisation grade of an area is proportional to the comparative advantage's exploitation grade and thus is an indication of a distorted economical enlargement that in many cases doesn't concern only the local population, but also the foreign investors. The appointment of the comparative advantage and its exploitation without any conditions, terms and planning may lead to a continuous shrinking, inactivity or/and abolition of the rest of the local characteristics. Thus the area's developing prospective is being jeopardized. Depending upon the degree that the local comparative advantage is transformed into a key-activity (enlarging its range and absorbing the largest percentage of employment) the area's developing dynamic – with sustainable development terms – can progressively decline [3].

The avoidance of phenomena which are characterized by high degree functional specialisation as a result of dominating activities must be one of the priorities of long-term planning. The analysis of structure components of both the comparative advantage and the dominating activity is the main tool of spatial planning. Such an analysis contributes to the choice of suitable measures for the sustainable re-incorporation of regions that have an increasing tendency to functional specialization. A holistic approach of the space data / phenomena of contents [9] and of their social, economical and environmental components is essential.



This study supports that the high degree of functional specialisation, could negatively affect the developing perspective of areas solely oriented towards the tourist activity. As far as the quest for alternative development ways, aiming at the sustainable reincorporation alternative forms of tourist development in Greek and Mediterranean area could contribute to the creation of a new development planning that highlight the particularities, the possibilities and limits of each area-receptor.

References

- [1] Tsartas, P., (ed.). *Tourist Development Multiscientific Approaches*, Eksantas Publications: Athens, 2000.
- [2] Kokkosis, Ch. & Tsartas, P., *Sustainable tourist development and environment*, Kritiki Publications: Athens, 2001.
- [3] Klabatsea, I., 2005. Comparative research of the development of areas characterized by functional specialisation – Favourable and restrictive factors of the spatial planning in the framework of a sustainable development, Postdoctoral research, FPS-National Technical University of Athens, supervision Prof. S. Avgerinou – Kolonia, E. Panayotatou, in progress.
- [4] Panayotatou, E., *Contribution to a United Space Consideration and to different Planning Practice*, National Technical University of Athens Publications: Athens, 1988.
- [5] Kalogirou, G. Problematic structures in the Greek industry. *Industrial and Technological Politics in Greece*, ed. G. Giannitsis, Athens, 1993.
- [6] Anderson, J., Duncan, S. and Hudson, R. Uneven development, redundant spaces? an introduction. *Redundant Spaces in Cities and Regions? Studies in Industrial Decline and Social Change*, Institute of British Geographers, Special Publication, No. 15, 1983.
- [7] Massey, D., *Spatial Divisions of Labour: Social structures and the Geography of Production*, Second ed., Macmillan: London, 1995.
- [8] Klabatsea, I., 2003. Declining industrial areas of modern Greece – Valuation criteria for the investment policy and the human resources in cases of one-dimension development. Thesis. Department of Urban and regional Planning, School of Architecture, National Technical University of Athens.
- [9] Avgerinou-Kolonia, S., *Issues of Space Development and Environmental Planning*, National Technical University of Athens Public: Athens, 1997.

