Tourism and the economic crisis in Kavala, Greece

Dimitrios Stylidis *, Matina Terzidou

Ben-Gurion University of the Negev, Israel

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Abstract

Although studies suggest that under times of economic uncertainty, perceptions and attitudes are subject to various types of economic and psychological influences, research examining this phenomenon within the context of tourism is limited. This study has developed a model exploring how the economic crisis influences residents’ attitudes toward tourism. The model was tested using a sample of 317 citizens of Kavala, Greece. Expressed concern about the state of the economy and personal benefit from tourism were found to direct residents’ perceptions of tourism impacts and their support for development. The study advances theoretical understanding of residents’ support for tourism during a period of economic uncertainty. The practical implications to tourism planning and development are also discussed.

Introduction

The global financial and economic crisis has dramatically affected the quality of life of most Eurozone countries. Increased unemployment rates, job insecurity, loss of income, the evaporation of wealth, cuts in private and public investments and a feeling of uncertainty and pessimism about the future are currently apparent in Southern European countries such as Greece, Spain, Portugal and Italy (Levy & Sidel, 2009; Voon & Voon, 2012). Such an economic context often results in massive changes in consumer behavior, including tourism demand (Smeral, 2009), which has been severely affected by the financial and economic crisis (Papatheodorou, Rossello, & Xiao, 2010). This phenomenon attracted the attention of the International Academy for the Study of Tourism, and a series of research articles was published discussing the effect of the economic crisis on tourism...
demand worldwide (e.g. Papatheodorou et al., 2010; Ritchie, Molinar, & Frechtling, 2010; Sheldon & Dwyer, 2010; Smeral, 2010).

The increased academic interest in this subject can be attributed to the economic contribution tourism makes to nations and destinations worldwide. The pivotal role of tourism has been well documented in literature, and tourism is often perceived as a catalyst for national and regional economic development, revitalizing communities and providing benefits to the local population (Andereck & Vogt, 2000; McGehee & Andereck, 2004). However, apart from its economic contribution, tourism also results in a number of social, cultural and environmental impacts on the host community (e.g. Besculides, Lee, & McCormick, 2002; Bestard & Nadal, 2007). Considering both the positive and negative potential effects on destination communities, researchers propose that tourism should be developed in coordination with the local community’s values and environment (e.g. Byrd, Bosley, & Dronberger, 2009; Gursoy, Chi, & Dyer, 2010; Nunkoo & Ramkissoon, 2012).

Commonly based on the Social Exchange Theory (SET) (Ap, 1992) framework, studies suggest that residents are more willing to support tourism development if its impacts are perceived to carry greater benefits than costs (e.g. Gursoy et al., 2010; Nunkoo & Ramkissoon, 2012). Therefore, understanding the perceptions residents have of the impacts of tourism, and their level of support for its development, is considered vital for the planning of sustainable tourism development (Ritchie & Inkari, 2006; Tovar & Lockwood, 2008; Vargas-Sanchez, Plaza-Mejia, & Porras-Bueno, 2009). Within this context, the determining factors of residents’ perceptions of tourism impacts and support for its development have been a major area of enquiry. A number of factors have been identified, due to their crucial role in planning, sustaining and promoting tourism at levels that residents will endorse. These factors range from personal economic benefit (e.g. Vargas-Sanchez et al., 2009) and level of community attachment (e.g. Choi & Murray, 2010), to the stage of tourism development (e.g. Diedrich & Garcia-Buades, 2009).

Despite the abundance of factors examined in the past, there is a scarcity of research on the influence the economic crisis exercises on residents’ perceptions and attitudes toward tourism (Smeral, 2009). Research suggests that in times of economic uncertainty, perceptions and attitudes are subject to various types of economic and psychological influences (e.g. Voon & Voon, 2012). As many tourism destinations in Southern Europe are currently in economic recession, with their residents facing budget cuts and austerity measures, the economic context of the study, that is, the way residents perceive the state of their local economy, is expected to influence their responses to tourism development. Nevertheless, previous research focused solely on exploring the effect of economic crises on tourism demand (see Okumus, Altiny, & Arasli, 2005; Ritchie et al., 2010; Smeral, 2010). Therefore, current understanding on how the financial and economic crisis influences residents’ perceptions and attitudes toward tourism is limited. This lack of research restricts from fully comprehending how individuals respond to tourism development as well as from delineating the role of the economic context in this process.

To fill in these research gaps this study aims to develop and test a model of the support residents have for tourism development during a period of economic uncertainty, which results from the ongoing economic crisis. Utilizing SET as its conceptual base, the structural model proposed here explores how the perceived state of the local economy, residents’ personal economic benefit from tourism, as well as the perceived economic, socio-cultural and environmental impacts of tourism influence residents’ support for tourism development in the city of Kavala in Greece. The current study advances theoretical understanding by examining how residents’ support for tourism development is formed during the on-going economic crisis and provides managerial recommendations for tourism planners, developers and local authorities.

Residents’ support for tourism development

This section provides support for the constructs examined in the model and their hypothesized relationships, starting from the ultimate dependent variable (support for tourism development) and thereafter moving backwards (see Fig. 1).
The role of the perceived tourism impacts

SET has been employed by a plethora of studies in order to understand residents’ attitudes toward tourism development (e.g. Gursoy et al., 2010; Gursoy & Rutherford, 2004; Nunkoo & Ramkissoon, 2012). SET is generally concerned with understanding the exchange of resources between individuals and groups (Ap, 1992). In the context of tourism Ap (1992) states that residents assess tourism through social exchange, ‘evaluate it [tourism] in terms of expected benefits or costs obtained in return for the services they supply’ (p. 669). Accordingly, their attitude will be determined by the assessment of these outcomes; they will engage in an exchange as long as they make a ‘profit’, namely as long as they receive more benefits from tourism than they do costs. As such, it is assumed that the more positive the perceptions of the impacts of tourism (economic, socio-cultural, and environmental), the more supportive for tourism development the resident will be (Andriotis & Vaughan, 2003; Gursoy et al., 2010).

SET was considered the most suitable framework to explain residents’ attitudes toward tourism in this study, as it recognizes that the elements being exchanged by the residents during tourism development include not only economic, but also social and environmental components (Jurowski, Uysal, & Williams, 1997; Yoon, Gursoy, & Chen, 2001). Additionally, SET helps to explain why residents who benefit economically from tourism and those who appear concerned with the local economy perceive the impacts of tourism more favorably (Gursoy et al., 2010; Jurowski et al., 1997; Nunkoo & Ramkissoon, 2012).

Numerous models aiming to determine the antecedents of residents’ support for tourism development have been developed based on the SET (e.g. Gursoy et al., 2010; Lee, 2013; Nunkoo & Ramkissoon, 2012; Vargas-Sanchez et al., 2009). While these models validate the relationships between perceived impacts and residents’ support for tourism, there is an apparent lack of agreement on the classification of tourism impacts. Most studies defined the various impacts of tourism as costs (negative) and benefits (positive) (e.g. Choi & Murray, 2010; Gursoy et al., 2002; Lee, 2013; Nunkoo & Ramkissoon, 2012). Nevertheless, such classification can be criticized ‘as support for tourism development is influenced by the residents’ perceived environmental, social, cultural and economic impacts of development’ (Nunkoo & Ramkissoon, 2010, p. 273). In particular, a benefit-cost classification may hinder the predictive strength of the model as well as provide an inaccurate representation of the proposed relationships, as opposed to a fuller model, which relates to the various forms of impacts (Nunkoo & Ramkissoon, 2010).

Within tourism literature, few studies (e.g. Jurowski et al., 1997; Yoon et al., 2001) provided a detailed investigation of the relations between the impacts of tourism and residents’ support by considering the full spectrum of potential impacts, and found that all types of impacts are related to residents’ support. Accordingly, based on the common classification (i.e. economic, socio-cultural, environmental) of tourism impacts (Wall & Mathieson, 2006) and the empirical findings of the aforementioned studies, the proposed model in this paper will examine the potential effect of the economic, socio-cultural and environmental impacts of tourism on residents’ support for tourism development.
Specifically, in terms of the economic impacts, tourism is perceived to increase employment and the standard of living, to contribute to infrastructure development, to generate revenue for local communities and governments, and to create new investment opportunities (e.g. Diedrich & Garcia-Buades, 2009; Lee, Li, & Kim, 2007; McDowall & Choi, 2010). Economic gains are the most visible and powerful motivations for desiring tourism development in a community (Gursoy, Jurowski, & Uysal, 2002). The vast majority of previous studies support the idea that the perceived economic impacts of tourism have a positive effect on residents' support for tourism development (e.g. Andereck & Vogt, 2000; Jurowski et al., 1997; Yoon et al., 2001).

The impacts of tourism on the social and cultural context have commonly been examined as one entity (socio-cultural) since they overlap to a large extent (Wall & Mathieson, 2006). On the positive side, residents commonly acknowledge benefits including inter-cultural understanding, increased cohesion and community spirit among the locals, greater provision of recreational, entertainment, and shopping opportunities, as well as the preservation of the local culture (e.g. Besculides et al., 2002; McDowall & Choi, 2010; McGehee & Andereck, 2004; Ritchie & Inkari, 2006).

On the negative side, tourism is often considered responsible for increased crime rates and social problems, such as prostitution and alcoholism, as well as for cultural erosion and commodification (e.g. Dyer, Gursoy, Sharma, & Carter, 2007; Ko & Stewart, 2002; Tosun, 2002). Researchers, in particular, suggested that tourism negatively affects local cultures by causing changes in family values, lifestyles and traditions (e.g. Kousis, 1989; Tosun, 2002), commercialization of culture, and exploitation of local natives (Cohen, 1988; Ko & Stewart, 2002; Kroschus-Medina, 2003). However, other studies (e.g. McGehee & Andereck, 2004) found that residents do not associate tourism with a disruption to their traditional way of life or exploitation of the natives. These differences in residents' perceptions can potentially be attributed to the different contexts examined (Andereck & Vogt, 2000), with urban settings being less vulnerable to socio-cultural changes than rural or small island destinations (e.g. Andriotis & Vaughan, 2003; Chen, 2001). Sometimes tourism is even perceived as a vehicle for preservation and enrichment, revitalizing cultures that are facing degradation (Besculides et al., 2002; McDowall & Choi, 2010; Terzidou, Styliadis, & Szivas, 2008).

Ambivalence is also found in studies concerned with the relationship between tourism and perception of crime, as many studies failed to establish a link between these two (e.g. Gilbert & Clark, 1997; Lee et al., 2007; Ritchie & Inkari, 2006). In the same context, path models failed to establish a relationship between the social costs and residents' support for tourism development (e.g. Dyer et al., 2007; Gursoy & Rutherford, 2004; Gursoy et al., 2002) as well as between cultural costs and residents' support for tourism (e.g. Gursoy & Rutherford, 2004).

Overall, much of the literature reveals a favorable disposition of residents towards the socio-cultural aspects of tourism, especially in urban settings (Andriotis & Vaughan, 2003; Gilbert & Clark, 1997), and findings indicate that there is a positive relationship between the perceived socio-cultural impacts and general support for tourism (e.g. Besculides et al., 2002; Lankford & Howard, 1994). Similarly, studies (e.g. Dyer et al., 2007; Jurowski et al., 1997) which examined path models confirmed a positive relationship between the perceived sociocultural impacts and residents' support for tourism development.

Although residents seem to acknowledge most of the positive economic and socio-cultural impacts of tourism on their community, several studies did reveal residents' concern with the negative impacts of tourism on the environment, including environmental pollution, traffic, crowding, and noise (Bestard & Nadal, 2007; Gu & Ryan, 2008; Latkova & Vogt, 2012; Terzidou et al., 2008). Overall, it is argued that there is a link between the perceived environmental impacts and support for tourism (Jurowski et al., 1997; Oviedo-Garcia, Castellanos-Verdugo, & Martin-Ruiz, 2008; Yoon et al., 2001). As Chen (2001) and Yoon et al. (2001) supported, the perceived impacts of tourism on the environment, such as pollution and noise, are negatively related to the level of local residents' support for tourism development. Based on the SET and previous research, the current study hypothesized that:

**H1.** There is a direct positive relationship between the perceived economic impacts of tourism and residents' support for tourism development.
H2. There is a direct positive relationship between the perceived socio-cultural impacts of tourism and residents’ support for tourism development

H3. There is a direct negative relationship between the perceived environmental impacts of tourism and residents’ support for tourism development

The perceived state of the local economy

Models examining the attitude-behavior relationships need to take into consideration the context in which the behavioral decisions (i.e., support for tourism) are made (Bagozzi, 1992), such as the economic environment. The state of the local economy, and in particular an economic crisis, is considered an important factor in determining people’s lives, due to the high unemployment rates, loss of income, and cuts in private and public investments. Studies conducted in various disciplines, for instance, suggest that the economic crisis negatively affects public health (e.g., Levy & Sidel, 2009; Zavras, Tsiantou, Pavi, & Mylona, 2013), level of consumption (e.g., Hurd & Rohwedder, 2010; Voon & Voon, 2012), people’s mood (e.g., Graham, Chattopadhyay, & Picon, 2010) and hotel occupancy (e.g., Song, Lin, Witt, & Zhang, 2011) among others.

However, with only objective measures of economic conditions, such as the GDP and unemployment data available, the complex phenomenon of the economic crisis cannot be fully understood (Hayo, 2005). For example, Campbell and Converse (1972) argue that although the US national income increased at the time of their study, people did not perceive an improvement in their socioeconomic status. A comprehensive account of the crisis can be mapped only when also considering individuals’ perception of economic life (Stokes, 2001). It is commonly the “subjective” economy, as perceived by residents, rather than the “objective” economy, as measured by indicators, that seem to influence residents’ attitudes (Gabel & Whitten, 1997).

Communities experiencing economic recession go through substantial changes as industries close down, disposable income is reduced and the workforce shrinks due to emigration. Similar phenomena have been reported in tourism studies that examined the transitional stage of rural and small urban destinations, such as former mining communities (e.g., Vargas-Sanchez et al., 2009), agricultural communities (e.g., Byrd et al., 2009; Lee, 2013) and fishing communities (e.g., Trakolis, 2001). Given that these communities are facing the decline of traditional industries (i.e., agriculture, mining), local authorities are exploring alternative development strategies to prevent recession, including tourism (Andereck & Vogt, 2000), which often serves as a means of rejuvenating their economy (see Latkova & Vogt, 2012; Vargas-Sanchez et al., 2009). As tourism literature substantiates, the perceived state of the local economy significantly influences the perceived impacts of tourism development (e.g., Gursoy & Rutherford, 2004; Gursoy et al., 2010; Nunkoo & Ramkissoon, 2010). Residents, in particular, tend to overestimate the benefits (i.e., economic) and underestimate the costs (i.e., environmental) that are incurred by tourism development (Gursoy et al., 2002; Nunkoo & Ramkissoon, 2010).

Equally, in the case of Kavala, which has one of the highest unemployment rates in Greece, the perceived state of the local economy is hypothesized to affect residents’ perceptions of the impacts of tourism. In particular, the more concerned residents appear with the state of the local economy the more favorable their perceptions will be of the impacts of tourism. Following on from the previous discussion, three hypotheses are formulated:

H4. There is a direct positive relationship between the perceived state of the local economy and the perceived economic impacts of tourism

H5. There is a direct positive relationship between the perceived state of the local economy and the perceived socio-cultural impacts of tourism

H6. There is a direct negative relationship between the perceived state of the local economy and the perceived environmental impacts of tourism
Residents’ economic benefit from tourism

Early research on the impacts of tourism supported the idea of a positive relationship between residents’ personal economic benefit from tourism development and their perceptions of tourism impacts. In particular, study findings confirmed that residents who benefit financially from tourism tend to perceive the full spectrum of the impacts of tourism (i.e. economic, socio-cultural, environmental) more positively than those who receive fewer or no benefits (e.g. Haralambopoulos & Pizam, 1996; Jurowski et al., 1997; McGehee & Andereck, 2004; Pizam, 1978). Recent studies, however, which used structural models and classified impacts as positive—negative, do not appear to fully corroborate this relationship. Although these studies confirm the link between residents’ economic benefit from tourism and the perceived positive impacts, they fail to establish a relationship with the perceived negative impacts of tourism (e.g. Andereck, Valentine, Knopf, & Vogt, 2005; Ko & Stewart, 2002; Vargas-Sanchez et al., 2009). This inconsistency can potentially be attributed to the classification of the impacts of tourism that recent studies have adopted. Ko and Stewart (2002) and Vargas-Sanchez et al. (2009), for instance, defined impacts as positive and negative, whereas earlier studies (e.g. Haralambopoulos & Pizam, 1996; Jurowski et al., 1997) used the ‘full spectrum’ approach.

Accordingly, only a few path models have examined the influence the personal economic benefit from tourism exercises on residents’ perception of the economic, socio-cultural, and environmental impacts of tourism. Jurowski et al. (1997), for instance, reported that the perceived economic gain from tourism positively affects the perception of all types of impacts. The current study further argues that, especially in times of economic recession, where the perceived threat of unemployment and job insecurity are present, work is highly valued and therefore expected to determine people's attitudes and behaviors (Sverke, Hellgren, & Naswall, 2002). Taking the preceding discussion as a starting point, and building on Jurowski’s et al. (1997) model, three research hypotheses are formulated:

**H7.** There is a direct positive relationship between residents’ personal economic benefit from tourism development and the perceived economic impacts of tourism

**H8.** There is a direct positive relationship between residents’ personal economic benefit from tourism development and the perceived socio-cultural impacts of tourism

**H9.** There is a direct negative relationship between residents’ personal economic benefit from tourism development and the perceived environmental impacts of tourism

Based on the above, the proposed model of residents’ support for tourism development within the economic crisis is presented in Fig. 1. The model hypothesizes that residents’ support for tourism development depends on their perceptions of the economic, socio-cultural and environmental impacts of tourism, which in turn are influenced by the perceived state of the local economy and residents’ economic benefit from tourism.

**Study methods**

**Study location**

Similarly to past research, a single destination community has been considered (e.g. Nunkoo & Ramkissoon, 2012). Kavala (population 55,325), a city in the north of Greece was selected as the setting for this study since it constitutes a community with a declining economy—severely affected by the economic crisis the last five years—and where tourism is gradually developing. Since the economic crisis began, the unemployment rate has gone up to 25% and in 2010 one out of ten commercial businesses in town closed down (Hellenic Statistical Authority, 2012). The economic condition of the rest of the country tells much the same story: GDP has decreased 17% between 2007 and 2012 and Greece has been in recession since 2008 (Bank of Greece Report, 2013). One fifth of the population lives under the poverty line ($8300), wages have decreased 10% within the last year and the number of suicides has increased dramatically from 677 in 2009 to 927 in 2011 (Hellenic Statistical Authority, 2012).
Kavala’s economy traditionally relied on the industrial (i.e. processing of tobacco, marble) and agricultural sectors (i.e. tobacco), but tourism is now playing an increasingly important role in its socio-economic development. Visitor numbers reached 242,325 in 2010, and arrivals in Kavala airport increased by 10% between 2011 and 2010 (Hellenic Statistical Authority, 2012). The city council perceives tourism as a means of achieving the economic rejuvenation of the area. The last several years a significant attempt has been undertaken to further develop Kavala as a tourist destination, whereby the tourism action plan comprises religious tourism; and cruise tourism. Within the aforementioned economic context, the perceived state of the local economy in Kavala might lead its residents to overestimate the economic benefits of tourism and underestimate its (environmental) costs.

Sampling and survey method

The target population of this study were the adult (permanent) residents of Kavala. The use of structural equation modeling in the data analysis, necessitates a large sample of at least 200 cases (Kline, 2010). The sample was selected with the use of multi-stage cluster sampling, firstly because it enabled the researchers to recruit residents from different areas of Kavala and thus provided a ‘balanced’ composition of respondents, and secondly because it does not depend on a sampling frame. Data collection took place between November and December of 2011 with the use of self-administered questionnaires that were hand-delivered by both researchers to 330 households at randomly selected addresses. Structured self-administered questionnaires were preferred, as they have higher response rate, can be complex, and the interference of the researcher is minimized (Oppenheim, 1992). The response rate was 65% and 317 questionnaires were retained for analysis.

Research instrument

A survey was designed for this study, which contained three sections. The first section aimed to capture residents’ perception of the various impacts of tourism. Perceived Economic Impacts of Tourism were estimated by four items (employment opportunities, standard of living, investment opportunities, infrastructure development) based on studies such as Lee et al. (2007), McDowall and Choi (2010), Nunkoo and Ramkissoon (2010). Perceived Socio-Cultural Impacts of Tourism were measured by four items (entertainment opportunities, community spirit, opportunity to meet people from other cultures, quality of public services) based on Cui and Ryan (2011), Dyer et al. (2007), and Terzidou et al. (2008). Perceived Environmental Impacts of Tourism were evaluated by four items (environmental pollution, noise, crowding, traffic congestion) drawn from studies such as Bestard and Nadal (2007), Byrd et al. (2009), Gu and Ryan (2008) and Kuvan and Akan (2005). The responses were measured on a five point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

The second section of the questionnaire aimed to measure residents’ personal economic benefit from tourism, the perceived state of the local economy and their support for tourism development. Perceived state of the local economy considered residents’ viewpoint of three key aspects of the local economy (i.e. employment, standard of living, business environment) in relation to the on-going economic crisis in Kavala and Greece. One item (‘many people are unemployed in Kavala’) was drawn from past research (e.g. Gursoy & Rutherford, 2004; Nunkoo & Ramkissoon, 2010), whereas the other two items (‘the standard of living in Kavala has decreased since 2008’, ‘many local businesses closed down the last three years’) were developed according to the needs of this study. Agreement with these items indicated residents’ concern with the local economy (e.g. Gursoy et al., 2010; Nunkoo & Ramkissoon, 2010).

Personal Economic benefit from tourism: Previous studies measured residents’ economic benefit from tourism in a number of ways, including personal and family employment in tourism (e.g. Haralambopoulos & Pizam, 1996; Ko & Stewart, 2002). Apart from these items, the “perceived economic benefit from tourism” is also considered a very powerful measure (Andereck & Nyaupane, 2011). Following, therefore, previous research (e.g. Andereck & Nyaupane, 2011; Ko & Stewart, 2002; McGehee & Andereck, 2004; Vargas-Sanchez et al., 2009), the three items used to capture residents’ personal benefit from tourism were: ‘I would benefit economically from more tourism development in Kavala’, ‘my current job is related to tourism’, and ‘a family member’s job is related to tourism’. In terms of the response format, the 5-point Likert scale was used (“1” Strongly Disagree—“5” Strongly Agree), as it has been consistently documented as meaningful in measuring residents’ economic benefit from tourism (e.g. Andereck & Nyaupane, 2011; Vargas-Sanchez et al., 2009).
Residents’ Support for tourism development was evaluated by three statements drawn from studies conducted by Perdue, Long, and Allen (1990), Latkova and Vogt (2012), McGehee and Andereck (2004) and Nepal (2008). These items were: ‘tourism should be further developed in Kavala’, ‘the local government should fund the promotion of tourism in Kavala’, and ‘the number of tourists visiting Kavala should increase’. Responses on these statements were measured on a five point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). Finally, the third section of the questionnaire included the demographic variables, such as gender, age, and income. A group of five tourism experts and academics confirmed the face validity of the questions. Prior to the main data collection, a pilot test was conducted with 50 residents of Kavala who were randomly selected in order to ensure the suitability of the research instrument.

Findings

Sample profile

Male (n = 141, 45%) and female (n = 175, 55%) residents of Kavala were roughly equally represented in the sample. The age distribution of the sample was: 18–24 (n = 44, 14%), 25–34 (n = 71, 22%), 35–44 (n = 73, 23%), 45–54 (n = 73, 23%), 55+ (n = 55, 18%). Finally, in terms of income 34% (n = 104) reported earnings between $10,000–24,999, 25% (n = 78) stated earnings between $25,000–39,999, whereas only 16% (n = 48) of participants reported that they had earned more than $40,000.

Descriptive statistics

Before testing the tourism support model, an examination of the distribution of residents’ responses on the variables under investigation would also be informative (Dyer et al., 2007). From Table 1, Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Responses %</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>SD</td>
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<tr>
<td>State of the Local Economy</td>
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<tr>
<td>More jobs are needed</td>
<td>4.09</td>
<td>1.068</td>
<td>3.8</td>
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<tr>
<td>Living standard has decreased</td>
<td>3.80</td>
<td>1.102</td>
<td>4.4</td>
</tr>
<tr>
<td>Many businesses closed down</td>
<td>3.66</td>
<td>1.259</td>
<td>8.2</td>
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<tr>
<td>Personal Economic Benefit</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Perceived economic benefit from tourism</td>
<td>2.49</td>
<td>1.509</td>
<td>41.0</td>
</tr>
<tr>
<td>Tourism related job</td>
<td>2.04</td>
<td>1.447</td>
<td>57.7</td>
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<tr>
<td>Family member with a tourism job</td>
<td>1.87</td>
<td>1.317</td>
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<td>Economic Impacts</td>
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<tr>
<td>Employment opportunities</td>
<td>3.68</td>
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<td>Increase in standard of living</td>
<td>3.49</td>
<td>.906</td>
<td>1.3</td>
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<td>Investment opportunities</td>
<td>3.54</td>
<td>1.038</td>
<td>2.5</td>
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<tr>
<td>Infrastructure development</td>
<td>3.50</td>
<td>1.030</td>
<td>3.2</td>
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<td>Socio-cultural Impacts</td>
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<td></td>
<td></td>
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<tr>
<td>Quality of public services</td>
<td>3.06</td>
<td>.958</td>
<td>7.3</td>
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<tr>
<td>Community spirit</td>
<td>2.97</td>
<td>.981</td>
<td>9.1</td>
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<tr>
<td>Opportunity to meet people</td>
<td>3.56</td>
<td>1.088</td>
<td>5.7</td>
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<td>Entertainment opportunities</td>
<td>3.32</td>
<td>1.143</td>
<td>7.6</td>
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<tr>
<td>Traffic congestion</td>
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<td>Support for tourism</td>
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<td>Tourist numbers should increase</td>
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<td>Public finance for tourism promotion</td>
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<td>1.137</td>
<td>9.8</td>
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<tr>
<td>Support further tourism development</td>
<td>4.09</td>
<td>1.077</td>
<td>2.8</td>
</tr>
</tbody>
</table>

* SD: Strongly Disagree; D: Disagree; N: Neither agree nor disagree; A: Agree; SA: Strongly Agree.
Kavala residents’ agreement (mean score over 3) that tourism increases the employment opportunities, standard of living, investment and infrastructure development can be noted. In terms of the socio-cultural impacts, residents tend to agree that due to tourism there are more opportunities for entertainment and greater cultural exchange. Finally, residents tend to agree that tourism leads to increased levels of noise, pollution, crowding and traffic. When residents were asked about the state of the local economy, they fervently agreed (Mean: 4.09, 80% agreement) that more jobs are needed as there are many people unemployed in the city. Indeed, data shows that an estimated 27% of the population is unemployed in Greece, and this percentage skyrockets to 59% for those aged under 25 years (Hellenic Statistical Authority, 2012). Residents also agreed that the standard of living in Kavala has decreased and that many businesses have closed down during the economic crisis (since 2008). These results indicate residents’ concern with the state of the local economy given that the local economic conditions have been gradually deteriorating since 2008. At the same time, the findings suggest that there is some variation in residents’ perception of the local economy, given that approximately 30–35% of the population did not appear to recognize (mean score under 3) a decrease in the standard of living and/or in the number of operating businesses.

Residents were also asked to identify their level of personal economic benefit from tourism, with most of them strongly disagreeing that i) they would benefit economically from tourism development; ii) their job is related to the tourism industry, and iii) they have a family member employed in tourism. In sum, approximately 27% claim to economically benefit from tourism and about 20% appear to earn their salary from tourism (see Table 1). In terms of support for tourism, most residents strongly agreed that tourism should be further developed in Kavala and that the number of tourists should increase. Additionally, and despite the government’s general cuts, they agreed with the allocation of funding for tourism promotion.

**Confirmatory factor analysis**

Following Anderson and Gerbing (1988) a two-step model analysis was conducted, according to which the fit of the measurement model is evaluated with the use of a Confirmatory Factor Analysis (CFA) prior to testing the structural model. Confirmatory Factor Analysis procedures, in particular, are used for testing the validity (convergent, discriminant) and reliability (construct) of the indicator variables, providing validation of the scales used for the measurement of the specific constructs (Hair, Black, Babin, & Anderson, 2010). Only when the measurement model is deemed satisfactory can the structural part of the model be tested. The program used for testing the model was Amos version 20.

The Confirmatory Factor Analysis indicates a Chi-square value of 241.6 with 174 degrees of freedom (p = .000) and a Minimum Discrepancy/Degrees of Freedom (CMIN/DF) value of 1.39, which is within the range suggested by Byrne (2001). In total, the model-of-fit measures lend credence to the measurement model, with the values of Goodness of Fit Index (0.932), Comparative Fit Index (0.974), Root Mean Square Error of Approximation (0.035) and Standardized Root Mean Square Residual (0.043), suggesting a good-fitting model (Hair et al., 2010; Kline, 2010; Tabachnick & Fidell, 2012).

Table 2 displays the standardized item loadings, critical ratio values, construct reliability and the average variance extracted (AVE). All factor loadings exceeded 0.50 and were significant (Critical Ratio > 2.576), indicating convergent validity. Additionally, all the construct reliability values were higher than 0.70 (e.g. Kline, 2010; Tabachnick & Fidell, 2012), suggesting that in each case the items consistently represent the same latent construct. Another tool used as a summary indicator of convergent validity is the average variance extracted. The average variance extracted reflects the amount of variance that is captured by the construct in relation to the amount of variance due to measurement error (Fornell & Larcker, 1981, p.45). All the average variance extracted scores were higher than 0.5, which is the threshold that Fornell and Larcker (1981) recommend for a construct. As such, more than half of the variance in the specified indicators is accounted for by the relevant constructs. Finally, in terms of discriminant validity, the average variance extracted estimates of each construct were greater than their inter-construct squared correlation estimates (Hair et al., 2010).
The structural model consists of six latent constructs and 9 paths. The overall fit of the model is: \( \chi^2(180) = 265.6 \) (p = .000) (see Table 3). Although the \( \chi^2 \) is significant, its ratio to the degrees of freedom is 1.48, which suggests a good fit (Tabachnick & Fidell, 2012). Root Mean Square Error of Approximation (RMSEA) is equal to 0.039, with LO90 0.028 and HI90 0.048. Given that its value is below 0.08 (Hair et al., 2010), this index offers an indication that the hypothesized model fits the data quite well (Hu & Bentler, 1999). Equally, the Comparative Fit Index (CFI = 0.967) and Goodness of Fit Index (GFI) values (0.925) signify a good fitting model. In total, all fit indices are well within the accepted ranges and it can be concluded that the fit of the hypothesized model is reasonably good.

Table 4 summarizes the findings of the hypotheses testing. The critical values together with the estimated magnitude of the paths were used to support or reject the nine hypotheses of the study (Diamantopoulos & Siguaw, 2000). All hypotheses were supported, apart from Hypotheses five and eight. Firstly, it was found that the perceived economic, socio-cultural and environmental impacts of tourism directly and significantly affect residents’ support for development (H1–H3). Secondly,
the perceived state of the local economy directly and significantly affects the perceived economic and environmental impacts (H4, H6). Finally, the personal economic benefit from tourism directly and significantly affects the perceived economic and environmental impacts (H7, H9).

Discussion

Fig. 2 illustrates the supported and non-supported hypotheses that will be discussed in this section. The first three hypotheses (H1, H2, H3), which proposed a relationship between the residents' perception of the economic, socio-cultural and environmental impacts of tourism and their support for tourism development, were substantiated. These findings confirm the SET and enhance current understandings on the classification of impacts of tourism, in response to the call of Nunkoo and Ramkissoon (2010) for additional research on this subject. Indeed, departing from the benefit-cost classification that may hinder the predictive strength of a model, this study verified that the impacts of tourism can be categorized into economic, socio-cultural and environmental (see Jurowski et al., 1997; Yoon et al., 2001). Specifically, residents' perception of the economic impacts of tourism has a positive effect on their support for tourism development. This result highlights the link between tourism and local economic development. The findings also suggest that there is a positive relationship between the perceived sociocultural impacts of tourism and residents' support for tourism development, demonstrating residents' recognition and acknowledgement of tourism as a means to improve their sociocultural context.

Finally, in regards to the environmental impacts, residents who consider tourism responsible for environmental degradation (e.g. pollution, noise) tend to be less supportive for tourism development than those who do not associate tourism with these impacts. Residents’ expressed concern about the environmental impacts of tourism in Kavala (Table 1) is in line with findings from previous studies (e.g. Dyer et al., 2007; Chen, 2001). It is notable that the effect of the perceived environmental and

Table 4
The structural model.

<table>
<thead>
<tr>
<th>H</th>
<th>Construct</th>
<th>Construct</th>
<th>Stand. Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Perceived economic impacts</td>
<td>Support for tourism development</td>
<td>.45</td>
<td>.058</td>
<td>7.035</td>
<td>***</td>
</tr>
<tr>
<td>H2</td>
<td>Perceived socio-cultural impacts</td>
<td>Support for tourism development</td>
<td>.31</td>
<td>.072</td>
<td>4.914</td>
<td>***</td>
</tr>
<tr>
<td>H3</td>
<td>Perceived environmental impacts</td>
<td>Support for tourism development</td>
<td>-.27</td>
<td>.061</td>
<td>-4.439</td>
<td>***</td>
</tr>
<tr>
<td>H4</td>
<td>Perceived state of the local economy</td>
<td>Perceived economic impacts</td>
<td>.38</td>
<td>.070</td>
<td>5.565</td>
<td>***</td>
</tr>
<tr>
<td>H5</td>
<td>Perceived state of the local economy</td>
<td>Perceived socio-cultural impacts</td>
<td>.13</td>
<td>.057</td>
<td>2.313</td>
<td>.057</td>
</tr>
<tr>
<td>H6</td>
<td>Perceived state of the local economy</td>
<td>Perceived environmental impacts</td>
<td>-.16</td>
<td>.064</td>
<td>-2.313</td>
<td>.021</td>
</tr>
<tr>
<td>H7</td>
<td>Personal economic benefit</td>
<td>Perceived economic impacts</td>
<td>.29</td>
<td>.059</td>
<td>4.579</td>
<td>***</td>
</tr>
<tr>
<td>H8</td>
<td>Personal economic benefit</td>
<td>Perceived socio-cultural impacts</td>
<td>.07</td>
<td>.050</td>
<td>1.117</td>
<td>.264</td>
</tr>
<tr>
<td>H9</td>
<td>Personal economic benefit</td>
<td>Perceived environmental impacts</td>
<td>-.15</td>
<td>.057</td>
<td>-2.212</td>
<td>.027</td>
</tr>
</tbody>
</table>

*** Less than .001.
socio-cultural impacts on residents’ support was downplayed (in magnitude) in comparison to that of the economic impacts. Accordingly, residents seem to place greater value on the economic benefits of tourism rather than its environmental costs (see also Vargas-Sanchez et al., 2009), which is a potential influence of the economic crisis in Greece.

Considering the factors that determine residents’ perception of tourism impacts, it has been found that the state of the local economy significantly influences the perceived economic and environmental impacts (H4, H6). Namely, the more concerned residents were with the state of the local economy, the more they acknowledged the economic (H4) impacts, and the less they recognized the impacts of tourism on the environment (H6). The economic crisis appears to influence the way some residents perceive the changes (impacts) that occur in the economy and the environment as a result of tourism.

Residents, in particular, facing unemployment and financial austerity, as part of the new state of order, do not seem to compromise development in favor of environmental conservation (see also Vargas-Sanchez et al. (2009)). This is in line with studies conducted in developing countries/destinations (e.g. Aref, Redzuan, & Gill, 2009; Lepp, 2007) or in economically depressed regions, which found that residents tend to overestimate the economic gains and underestimate the costs (i.e. environmental) of tourism development (e.g. Gursoy & Rutherford, 2004; Nunkoo & Ramkissoon, 2010).

It appears that an economic crisis creates a shift in individuals’ priorities. While modern society is prone to ecological modernization (Huber, 2000), seeking for ecologically sound patterns of production and consumption (i.e. green tourism), at the same time the complex, unstable and risky economic environment compels some individuals to strive for an alternative means of survival in an economically unpredictable world. Therefore, while Green et al. (1996) found that wealthier residents appear less supportive of further development and more supportive of environmental regulations, in this study residents facing a sudden economic decline, the so-called ‘neoptochi’ in Greek (the new-poor people), favor development to satisfy basic needs such as employment. This may also lead to a subsequent change in their values (i.e. environmentalism), revealing the evolutionary character of the economic crisis. Indeed Kayat (2002) found that some residents even adapt to the changes engendered by tourism, perceived by others as costs (e.g. pollution, congestion).

In contrast, H5, which related the perceived state of the local economy with the perceived socio-cultural impacts of tourism, was not substantiated. This absence of a link can be attributed to the stronger emphasis residents place on the economic rather than the socio-cultural impacts of tourism, as they are mainly concerned with the condition of the local economy and the ways with which the destination could improve its economic well-being (Gursoy et al., 2010; Nunkoo & Ramkissoon, 2010).

The results confirm H7 and H9, which proposed a relationship between residents’ economic benefit and the perceived economic and environmental impacts. H9 contradicts the studies of Ko and Stewart (2002) and Vargas-Sanchez et al. (2009), which reported an insignificant relationship between personal economic benefit and the perceived costs of tourism, such as the environmental impacts. Both hypotheses, however, are in accordance with the social exchange theory and researchers (e.g. Chhabra & Gursoy, 2011; Jurowski et al., 1997) who noted that local residents who receive economic benefits from tourism are more likely to acknowledge the positive aspects of tourism development than those who receive fewer or no benefits. ‘Growth machine interests’ (see Molotch, 1976) therefore commonly arise around tourism development (Harrill, 2004), as people who do not receive any economic benefit from tourism development are less likely to support it (Canan & Hennessy, 1989).

H7 and H9 appear in line with the self-interest theory, ‘the assumption that individuals seek to maximize their own material gains in interactions and expect others to do the same’ (Bairman, 1982; Eisenhardt, 1989). Especially during a period of economic crisis, the notion of self-interest can be among the main motives that construct human behavior and preferences (Pechlaner & Volgger, 2013; Sears & Funk, 1991). This corroborates Lau and Heldman’s (2009) findings, which suggest that the economic recession can substantially maximize the effects of self-interest on people’s attitudes towards policy making. Other non-tourism studies also found that people often sacrifice the environment in favor of their own economic gain (e.g. Harris, 2006). Finally, H8, which predicted a positive relationship between residents’ personal economic benefit from tourism development and the perceived socio-cultural impacts of tourism, has not been supported. A tenable explanation for the rejection of both H5 and H8 is that the socio-cultural impacts of tourism are not so apparent in Kavala, since most tourists have similar cultural backgrounds to the hosts.
Nevertheless, not all residents perceive a direct economic benefit from tourism (see Table 1). Apart from self-interest, other reasons might also explain the overall high levels of residents’ support for tourism during an economic downturn. Community support for tourism may signify, for instance, a general belief that tourism can create opportunities for people helping them escape from hardships and poverty (Kayat, 2002). Indeed local residents who are concerned with the state of the local economy often have an urge to act in order to ameliorate it (Gottdiener & Neiman, 1981). Such residents’ concerns can be further explained and supported taking into consideration Cox and Mair’s (1988) concept of local dependency.

According to Cox and Mair (1988), many residents tend to favor local economic development (i.e. tourism) due to their dependency on the locality for reasons such as home ownership and employment. Others, who appear to benefit from development, are also highly dependent on the health of the local economy. Similarly, many tourism business owners are place-bound due to the immobile nature of their built assets (i.e. accommodation facilities) and the non-substitutable character of their exchange relations. In line with Wyllie’s (1998) study, even some residents who do not directly benefit from tourism, but are dependent on the locality may support its development, fearing that an economic crisis would have a negative snowball effect on the community as a whole, such as decay and disintegration. Loss of income and unemployment, for example, are commonly related to signs of decay (i.e. migration, less environmental regulation), and often form the picture of an economically devastated place (Green et al., 1996). Therefore, support for tourism development is not necessarily driven only by local elites, as the growth machine theory postulates, or by self-interested beneficiaries who try to maximize their profits, but potentially also by the dependency on and subsequent interest of some residents for their locality (Green et al., 1996).

Conclusion

This study responds to the call of Harrill (2004) and Vargas-Sanchez et al. (2009) to identify the intrinsic variables that condition the attitude of the individual toward tourism. It does so by examining whether two factors related to the economy, namely the perceived state of the local economy and residents’ economic benefit from tourism determine residents’ perception of the impacts (economic, socio-cultural, environmental) of tourism, which in turn affect support for tourism development.

Overall, this research contributes to understanding the crucial role that the broader socio-economic context plays in influencing residents’ perception of tourism development. Specifically, the current economic turmoil in Greece is leading residents of Kavala to adopt a more positive overall attitude towards tourism. Job insecurity and a diminishing standard of living frequently characterize an economic crisis and inevitably affect the way residents perceive the state of the local economy. According to the findings, the stronger the magnitude of these phenomena, the more the host community will be receptive towards tourism development as means for economic rejuvenation, satisfaction of new emerging needs and avoidance of communities’ devastation. Additionally, it also appears that during an economic crisis where the threat of unemployment is present, residents who work in tourism seem to appreciate their jobs and be more receptive towards tourism than others who do not receive any kind of economic benefit from its development.

Implications for planning and development

This study marks an early stage in understanding society in the midst of the economic crisis and the position of tourism in the revival and well-being of the community. While encouraging and helpful aspects have been acknowledged in the face of tourism, such as its economic contribution to the host community, some other aspects, such as the environmental, appear neglected or underestimated. Indeed, people who benefit from tourism and those concerned with the economic crisis seem less worried about the environmental impacts, detaching from the modern trend of “going green”.

The findings do not suggest that residents necessarily disapprove of environmental policies, but rather that they are in need of improving their livelihood. Residents’ preference for employment and the diminishing interest in environmental issues set a challenge for tourism planning, namely
the need to avoid employment/environmental conflicts (Prentice, 1997). It thus becomes more difficult for planners to pursue a policy of environmental protection at a cost of deteriorating the economic conditions of residents. This was evidenced in the case of the Balearics where government’s attempt to impose an eco-tax faced strong opposition from the local stakeholders, as it was perceived to reduce market competitiveness for the benefit of the environment (Holden, 2009). Given that tourism largely depends on the support of the local community, community planners face the challenge of adjusting their strategies to the needs of the local residents (i.e. employment), without compromising sustainability (to be enjoyed post-crisis). Otherwise the negative impacts on the sociocultural and natural environment may undermine the economic viability of tourism in the long run (Jamal & Getz, 1995). In the case of Kavala, for example, local planners should emphasize the contribution of tourism to the employment, rather than broadcasting its green policies and their contribution to the environment.

Additionally, understanding the determinants of residents’ attitudes toward tourism assists local authorities and planners in the design and implementation of specific tourism plans that will be supported by the majority of the host population. The finding that residents who were concerned with the state of the economy demonstrated positive attitudes towards tourism potentially indicates that Kavala residents do not experience an “undercurrent of resignation” (Viswanathan & Rosa, 2007, p. 8) often observed in communities facing recession. Maintaining support for development is considered crucial given that attempts to alleviate poverty in societies under economic crisis largely depend on residents’ belief that such attempts will improve their quality of life (Ekici & Peterson, 2009). This holds true especially in the case of tourism where residents are part and parcel of the product that tourists enjoy. By utilizing internal marketing practices, tourism plans may find increased acceptance and support, especially if these campaigns engage residents who are supportive of tourism, as they can convince others about the benefits of tourism development (Chhabra & Gursoy, 2011).

The new socio-economic context, which has been formulated as a result of the economic crisis, can potentially also influence the balance of power between the residents of the destination and the tourism industry. Drawing upon Emerson’s (1962) power-dependence theory in tourism, residents who gain or can potentially gain from the tourism industry become dependent on it as ‘power resides implicitly in the other’s dependency’ (p. 32). Additionally, as Blau (1964) suggests, people with fewer alternative opportunities (i.e. unemployed) will develop greater elements of dependency and commitment to an exchange relationship than others in more powerful positions. This lack of power on behalf of the residents leads to an unbalanced and unstable relationship between the host community and tourism.

Power imbalances among stakeholders can inhibit the initiation and success of consensus and collaboration in regard to tourism development (e.g. Jamal & Getz, 1995; Reed, 1997). Policy goals that emerged during the economic crisis and power imbalances among stakeholders were identified by O’Brien (2012) as key reasons for ‘Ireland wasting a good crisis’. Sustainable tourism planning should therefore strive to develop a balanced condition of power relations between the two parties, by attempting to leverage, through policy making, any pattern of dominance that might emerge. Additionally, considering the study findings, tourism planning should be dynamic and active in order to adjust to the changes that constantly occur in the economy and in society.

Despite its devastating effects, an economic crisis can also be considered as an opportunity for a country to restructure its tourism industry and increase its competitiveness (O’Brien, 2012). Such a liminal period of “repair” can become a stake for every economically affected place. In the case of Kavala and Greece, collaborative planning and carefully designed strategies that meet the needs of its residents, the industry, and tourists should be implemented. As the results of this study suggest, residents’ support for tourism and their willingness to overcome the crisis are evident.

Limitations and future research directions

This study, like any other research, faced some limitations. First of all, the model did not use longitudinal data or a cross-case comparison, but was tested only on a single destination on a particular time. Therefore, the results cannot be generalized beyond Kavala and hence the study can merely serve as a pilot and methodological test, upon which future research should be based in an attempt
to understand how residents’ attitudes toward tourism are formed during an economic crisis. A longitudinal study, in particular, would allow a more comprehensive examination of the potential change in residents’ support for tourism in relation to the economic recession. It is recommended also to test the study model in other locations in order to further examine the magnitude and directions of the relationships, a process that can verify its consistency. Second, the model examined involved only two exogenous factors, excluding others which might also explain part of the variation in residents’ perception and support of tourism. Future studies should examine, for instance, residents’ environmental attitude, which might have explained a larger percentage of the variance of the perceived environmental impacts in the current model. Finally, it would be interesting to investigate (during the economic crisis) residents’ perceptions and support for various types of proposed tourism development, like cultural-heritage tourism and examine if perceptions change according to the proposed development plans.

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