Oysters and the ‘Beach Disease’
A Critical Discussion on Tourism-Induced Economic Growth

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THE ‘TOURISM OYSTER’ AND ITS ‘ECONOMIC PEARLS’

GDP Contribution, Tourist-Spending, Foreign Tourism Investment
Tourism as a Motor of Global Economic Growth

10% GDP

1/11 JOBS

US$ 1.4 Trillion in Exports

7% of World’s Exports

30% of Services Exports

WHY TOURISM MATTERS

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* World Tourism Organisation (2016)
Tourism Development Potential

*It Pays to Invest in Tourism*

**EU TOURISM EMPLOYMENT**
(IN 000 JOBS)

**EU TOURISM CONTRIBUTION TO GDP**
(US$ IN BN - REAL PRICES)

Every $1.00 invested in tourism generates $8.55 in tourism income (tourists’ spending)!

*Data Source: World Travel and Tourism Council (2015)*
A Simple Model of Tourism-Led Economic Growth: *Chicken-Egg Question*

**Travel Pays**

- **Tourist Spending**: $986**
- **Tourism Investment**: $99**
- **Economic Impact**: (Contribution to GDP)

*World Travel and Tourism Council (2015)*
A Simple Model of Tourism-Led Economic Growth: *Chicken-Egg Question*

Tourist Spending

- 0.986**

Tourism Investment

- 0.99**

Economic Impact (Contribution to GDP)

- 0.98**

Developing Countries / Transitional economies?

* World Travel and Tourism Council (2015)
Tourism – A Viable Way Out of Poverty?

3 Key Questions...

To what extent is a country in a position to attract foreign investment for the development of tourism?

To what extent does tourism contribute to the economy of a country?

To what extent are tourists willing to visit a country and spend money outside the confines of their ‘protected’ resorts?
Tourism – Forgiving Sector?

Existing Tourism Research Findings

The effect of political stability and Regulatory Framework is not decisive (Steiner, 2010; Cristea, 2014)

Tourism seems indeed ‘forgiving to the potential ails’ of a developing economy and justifiable as an economic development strategy!

There is insufficient evidence connecting criminality and safety issues to tourists’ spending (Brunt, 2000; Larsen et al, 2009)
Tourism – Beach Disease Effect? ... There is a Still a ‘Catch’!

The effect of political stability and Regulatory Framework is not decisive (Steiner, 2010; Cristea, 2014)

The expected benefits of tourism often fail to materialise and there is variability in the tourism competitiveness (Che Chou, 2013; Inchausti-Sintes, 2015)

There is insufficient evidence connecting criminality and safety issues to tourists’ spending (Brunt, 2000; Larsen et al, 2009)
THE OYSTER CATCHER AND MY DAILY ‘HOLIDAY EXPERIENCE’

Him...
The Promise...

An ‘All-Exclusive’ Expensive Holiday!
Every Day the Oyster Catcher:

- Attacks the Glass with pebbles and wakes me up at 06:00
- Uses my terrace as a toilet
- Keeps coming back, even though I chase him away every day

The Oyster Catcher’s motivation is:

- To find a place for her nest – by terrace is ideal because it is near the sea, wind-protected and provides pebbles
- To attack other birds around her nest – The bird does not realise it is attacking itself
Don’t blame the Oyster Catcher for ruining your morning... Blame what he sees!
**Tourism Performance and Corruption** Hypothesis Testing

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country/Territory</th>
<th>Score</th>
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<tbody>
<tr>
<td>1</td>
<td>Denmark</td>
<td>92</td>
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<tr>
<td>2</td>
<td>New Zealand</td>
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<td>Austria</td>
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Corruption Perception Index Score: Pearson Correlation

<table>
<thead>
<tr>
<th>Correlation Contribution to GDP</th>
<th>Domestic Tourism Spending</th>
<th>International Tourism Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>.207*</td>
<td>.225*</td>
<td>.217*</td>
</tr>
<tr>
<td>.031</td>
<td>.019</td>
<td>.023</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).


‘Beach Disease’ and Corruption

Tourism Investment ‘Leakages’

Key Policy Instruments

- Infrastructure Investment
- Leakage: ‘Political Clientism’
- Tourism Taxation
  - Leakage: Tax Evasion / Black economy
  - Leakage: Bribery

Key Spending Drivers

- Tourism Investment
- Tourist Spending
- Domestic Tourist Spending
- Industrial Development

To what extent is tourism-generated income invested appropriately?
<table>
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<tr>
<th>Study</th>
<th>Finding</th>
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<td>Larsen et al. (2009)</td>
<td>Actual tourists are less concerned about crime than potential tourists and that their focus is mostly on petty crime (e.g. theft)</td>
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<td>George (2010)</td>
<td>Despite own safety concerns, tourists are likely to <strong>revisit and recommend</strong> a holiday destination to others.</td>
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<td>Boakye (2010)</td>
<td>Tourists’ feeling of safety and security do not depend so much on the visibility of uniformed personnel, but mostly on <strong>perceptions of order and professionalism</strong> in their surroundings</td>
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Do tourist feel they can effectively react and get support when something happens?.

Do local’s practices towards tourists demonstrate professionalism?
Hospitality is a Promise and depends on Reputation and Trust! Tourism-related Corruption destroys both.
Research Functions:
- Founder & Chairman of the Cruise Research Society (http://www.cruiseresearchsociety.com)
- Co-Director of the Institute for Maritime Tourism (IMT) (http://www.imt.hs-bremerhaven.de/) 

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- Chairman of the CTM Examinations Committee 
- Member of the CTM Study Affairs Committee