

Regional dimension of employment in the tourism sector: the case of Greece

Abstract

Tourism is an activity with social, cultural and economic dimensions. It involves people moving between places, beyond their permanent place of residence. It is a dynamic sector which has beneficial effects on enterprises and regions as well. Recent research has highlighted the crucial role of tourism in national and regional development, by identifying the benefits to the population and the economy as well (Andereck & Vogt, 2000; McGehee & Andereck, 2004). Those effects can be economic, e.g. increased economic activity, economic development of the regions, social, e.g. increase in employment, improvement of the quality of life, and environmental, e.g. conservation of natural environment (e.g. Besculides, Lee, & McCormick, 2002; Bestard & Nadal, 2007). In addition, tourism's affects are not limited only to the travel and tourism industry. On the contrary, tourism influences other economic sectors and services, such as retail, transport and constructions. Unfortunately, the ongoing economic crisis has affected the tourist industry, as all others, attracting much attention from researchers (Papatheodorou, Rosello, and Honggen (2010), Sheldon and Dwyer (2010) , especially since this affect has appeared in an uneven way among regions and countries · short distance destinations seem to have been affected the least (Smeral, 2010).

Fortunately, recent data reveal that tourism is one of the industries that, although affected, has been the most resilient one. According to World Travel and Tourism Council (WTTC Report, 2015), the contribution of Travel & Tourism to total employment was over 3.8% in 2005. In 2014 this contribution reached 3.36% of total employment, generating about 105,408,000 jobs. The forecast for 2015 was that it would be a grow by 2.0% and by 2025, Travel & Tourism will account for 130,694,000 jobs directly, an increase of 2.0% pa over the next ten years. According to EU statistics, tourism is the largest service industry in the European Union. It accounts for more than 4% of the Community's GDP and employees about 4% of the total labor force (this is only for hotels and travel agencies). It is a labor-intensive and a fast growing sector which is not affected by the financial crisis, at least not as much as other sectors and economic activities. Of course the contribution of tourism is expanded to other activities as well. A study of International Labor Organization and World Tourism Organization reports that one job in tourism generates 1.5 jobs elsewhere (UNWTO and ILO, 2014).

The EU was, according to the United Nations World Tourism Organisation (UNWTO), a major tourist destination and five of its Member States where among the world's top 10 destinations in 2014. In 2015, the countries of EU where the most frequently visited ones, receiving more the half (51.4 %) of all international tourist arrivals, which accounts for 609 million persons.

Greece has been a major tourist destination and attraction in Europe and has attracted 26.5 million visitors in 2015 making Greece one of the most visited countries in Europe and the world. World Travel and Tourism Council's report announced that the direct contribution of Travel & Tourism to GDP in 2015 was EUR13.3bn (7.6% of GDP) with a forecast to fall by 0.5% in 2016 and a forecast to to grow by 4.0% pa to EUR19.5bn (9.3% of GDP) by 2026. The total contribution of Travel & Tourism to GDP was EUR32.5bn (18.5% of GDP) in 2015, and is forecast to fall by 1.8% in 2016, and to rise by 3.9% pa to EUR46.7bn (22.4% of GDP) in 2026.

Regarding employment, in 2015, the total contribution including jobs indirectly supported by the industry, was 23.1% of total employment (822,000 jobs). The prediction is to fall by 0.6% in 2016 and rise by 3.0% in 2026 (28.0% of total) (WTTC Report for Greece, 2016). These data reflect the importance of tourism sector in Greece's economic development and justifies the relevant research that has been conducted on the topic these last years.

The financial and economic crisis of the recent years has affected every aspect of the economy and the society. According to EU data, the result of the crisis was among others the increase in unemployment, the reduction of income, public and private cut offs and the general feeling of uncertainty. Employment is an indicator of a country's or region's development. It is of great importance and has always been on the core of research. Unfortunately, total employment has fallen during these last years and specific categories of employees, such as young employees, low-skilled ones and self-employed have been the ones that have been influenced the most by the crisis, especially South European countries (Barbieri and Scherer, 2009; Dunford, 2012). Therefore it is acceptable to say that employment has been affected by the ongoing financial crisis to a great extent. But beyond these alarming data on employment, tourism sector seems to be a bright spot. Recent data show that tourism industry has not been affected by the economic crisis, at least not to the extent that this has happened to other industries. For example, accommodation has an average annual growth rate of 0.9 % since 2008. This illustrates the dynamic character of tourism sector and its potential as a growth sector.

The purpose of this paper is to capture the regional dimension of employment in the tourism sector of Greece. More specifically, quantitative methods will be used to evaluate any trends in tourism employment between island and mainland regions, the effect on the regions' development as measured by the GDP change and the effect of financial crisis on these trends.

The methodological framework used in this analysis includes quantitative methods in order to identify existing patterns of tourism employment among island and mainland regions and the effect of those patterns on the regions' development. More specifically, data refer to employment and Gross Value Added, tourist density indices, occupancy indices for the 13 Greek regions, for the period 2000-2013. For the purpose of this analysis, statistical measures of dispersion and concentration are used, such as, the Herfindahl-Hirschman Index, the Krugman Dissimilation Index and the coefficient of absolute structural changes as well as specific tourist indices, such as tourist density indices and occupancy indices.

The Herfindahl-Hirschman index is a widely accepted index which is used to measure market concentration and specialization. In this research it will be used in order to identify whether tourist industry's spatial distribution reflects that of the national one. Krugman Dissimilation Index, is also used for measuring either concentration or specialization. It will be used in this paper in order to compare the regions' tourist industry with the overall economy. Finally, the coefficient of absolute structural changes is used for measuring the average change in sectoral or territorial shares recorded in different units of time. It will be used in this research in order to capture the changes of tourist industry over the last years.

According to the analysis there seems to be a rather unbalanced tourism development among the Greek regions leading to a diversity in employment. More particularly, island regions show a high concentration of tourism activities, causing a spatial centralization of

tourism development and a consequent uneven employment rate. Of course, due to the seasonality of tourism, these employment rates should be considered in caution.

This analysis will help us identify the specific regional inequalities regarding employment in tourism sector and the extent in which the crisis has affected these inequalities. In addition, regions will be grouped regarding their employment patterns and will be classified as resilient or fragile ones. This research will conclude with some policy recommendations regarding tourist development for the Greek regions.

Key-words

Tourism employment, development, GDP, regional inequalities, Greece

JEL Codes: J21, Z32, R11