ABSTRACT
Development by its nature is a process of change that may be implemented in a variety of ways. As a result, tourist receiving destinations have a variety of options to follow in developing their tourism industry. These options concern mainly the process and/or funding of development, and include the following dichotomous alternatives: capital versus labour intensive; endogenous versus exogenous; small scale versus large; alternative versus mass and enclave versus spread out. It is the aim of this paper to discuss the five alternatives by undertaking a literature review to investigate the benefits and costs associated with each of them and providing guidelines for destination tourism development. From the review it is evident the possibility of categorising the five development options into two distinctive groups, namely conscious and conventional tourism. Each group presents differences to its impacts to a tourist receiving destination, the ownership/control patterns of the industry and the numbers of facilities and tourists.

Keywords: development options, conventional versus conscious tourism.

INTRODUCTION
During the last decades tourism has grown rapidly in many countries of the world. It is estimated that in 2000, international tourist arrivals reached 699 million (WTO 2001). The increasing number of tourists for holidays has resulted in many costs and benefits for tourist receiving destinations. On the positive side, tourism has been promoted by many governments because of its potential for job creation, income generation, improvements in the balance of payment and acquisition of hard currency (Andriotis 2000, 2002; Archer and Cooper 1998; Mathieson and Wall 1982; Sinclair 1998; Singh 1984). In addition, many authors have seen tourism as a tool of economic regeneration and a medium for heritage and environmental preservation, creation of infrastructure, cultural communication and political stability (e.g. Andriotis 2000; Cooper et al. 1998; Ioannides 1995; Peppelenbosch and Tempelman 1989; Phillips 1994; Squire 1996). On the negative side, since the tourism product is consumed at the same place of production, tourism development has come under criticism for various social and environmental strains experienced by tourist receiving destinations and host populations, such as environmental degradation, cultural pollution, commercialisation of human relations and negative demonstration effects (Ahmed 1987; Agarwal and Biswas 1989; Akauola, Ilaiu and Samate 1980; Andriotis 2001a; Archer and Cooper 1998; Prasad 1987).

Development by its nature is a process of change that may be implemented in a variety of ways. Development implementation approaches could prove a useful framework for the anticipation of tourism development benefits and costs. In the literature, various dichotomous alternatives have been proposed for the implementation of tourism
development although no option has ever attained absolute dominance. These options concern mainly the process and/or funding of development, and frequently refer to issues, such as:

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

This paper aims to add to past research by investigating the benefits and costs associated with these five tourism development options. In doing so, this paper is divided into six sections. The first five examine each of the development options in turn and provide guidelines for destination tourism development. The final section provides the conclusions of the study.

**CAPITAL VERSUS LABOUR-INTENSIVE DEVELOPMENT**

Developers and planners very often have to make decisions on whether production should be based on capital-intensive or labour-intensive techniques. Many studies have highlighted the potential of tourism as a labour-intensive industry that requires limited capital investment to create employment (Brown 1985; Culpan 1987; Hall 1994). As a result, many authors have investigated the cost of employment creation in the tourism industry compared to other economic sectors, and they suggest that it is substantially less (Bond and Ladman 1980; Cleverdon 1979; Lever 1987; Lickorish 1991; Morrell 1985; Van Houts 1983). For example, an automobile factory requires heavy capital investment, but generates relatively fewer jobs than a similar amount of investment in tourism. Williams and Shaw (1991) disagree on the ground that the development of the tourism industry involves a complex of other industries, e.g. transport, retailing and associated manufacturing, to provide services, products, facilities and infrastructure. Bearing all these in mind, it is very difficult to estimate the real cost of creating a job in the tourism industry. Nevertheless, services, facilities and infrastructure produced by the ‘complex of industries’ and consumed by the tourism industry, are also available for consumption by the local population and they might be required for the local society’s welfare, even if the tourism industry was not developed.

Some authors report that in the accommodation sector, the level of employment generated (as well as income) depends on the size of the establishment (e.g. Cleverdon 1979; Kontogeorgopoulos 1998; McCann 1983; Vaughan, Andriotis and Wilkes 2000). In particular, small and medium-sized enterprises provide more employment per visitor with less capital than larger establishments. In contrast, international and larger hotels are more capital-intensive, and have a higher employee per bed ratio for the reason that they cater for most of the tourists’ needs. For instance, the ratio of employees to beds in the large hotels of Rethymno, Crete, is from 1:3 to 1:4.5, although the ratio for smaller hotels is from 1:8 to 1:20 (Papadaki-Tzedaki 1997). On the other hand, different types of tourists, classified by the type of accommodation they use, have different economic effects on employment. In particular, Vaughan and Wilkes (1986) found that in Cumbria paying guests at farm/private houses created the most direct and indirect jobs,
in total 23.2 per £100,000 visitor spending, whilst visitors staying at hotels and
guesthouses where capital investments are higher, created 10.1 jobs per £100,000.

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

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

Nevertheless, the focus on capital or labour intensive enterprises is often determined by
the preferences of investors. Specifically, international hotel chains prefer capital
intensive, or in other words large-scale enterprises, although small entrepreneurs, that
have limited capital to invest, prefer labour intensive.

EXOGENOUS VERSUS ENDOGENOUS DEVELOPMENT
While economic growth has occurred in some countries of the periphery, such
development has produced undesirable features, e.g. high leakages, outside intervention,
etc., that distinguished it from the capitalist development in the core (Hunt 1989; Potter
et al. 1999). The absence of sufficient capital, and subsequent low investment and
productivity, result in the periphery being trapped in a vicious circle of poverty (Mydral
1957; Potter et al. 1999), with peripheral tourism controlled and exploited by ‘the
industrial core regions’ (Keller 1987). As a result, tourism evolution in many
destinations matches patterns of neo-colonialism and economic dependency, where
‘wealthy metropolitan Western societies’ overwhelmingly dominate the travel business
of under-developed destinations by exploiting their resources. As a result, several
researchers support that forms of ‘dependent development’ have emerged in many
developing countries (Auty 1995; Britton 1982, 1989; Erisman 1983; Lea 1988; Milne

Although the significance of tourism for many developing countries and their limited
alternatives for their growth, the dependency theory has focused its attention on the
disastrous effects of exogenous tourism development on the economic and social
structure of the host economies. As Urry (1990: 64) reports tourism development in
Dominica is controlled by multinational companies located in North America and West
Europe and retaining the lion’s share of tourism profits. In this sense, it is suggested that
exogenous dependent development is more for the benefit of “capitalist-tourism
generating countries and not self-generating for the host countries” (Khan 1997: 998).
Consequently, exogenous development of a destination can be frequently blamed for
low multiplier effects, use of expatriate staff, and an increased degree of foreign
dominance and control of the tourism sector.

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

SMALL - VERSUS LARGE - SCALE DEVELOPMENT
Different scales of development have different impacts on the receiving destination and
the host community. In the tourism literature, there are three studies examining
differences of enterprises attributed to their scale.

First, Rodenburg (1980: 178) identified three scales in Bali: the ‘large’, the ‘small’ and
the ‘craft’, and remarked that each scale of tourist exploitation meets economic
development objectives to different degrees. He concluded that the development of
small and craft tourism could bring more benefits to the island of Bali and the host
population.

Second, Kontogeorgopoulos (1998) assessed the economic patterns and opportunities
associated with accommodation sector employment on the islands of Samui and Phuket
in Thailand. He identified three size categories of hospitality firms based on their
number of rooms: small (1 to 14 rooms), medium (15 to 39) and large (40 rooms or
more). His findings show that distinctions according to size reveal crucial differences in
the nature of tourism-related impacts on employment and proposes that future planning
of tourism development must take into account how particular local conditions foster
different types of accommodation sector linkages, leakages and economic opportunities.

Finally, Andriotis (2002), based on the size of Cretan hospitality firms, divided them
into three groups: small (40 rooms or less), medium (41-100 rooms) and large (more
than 100 rooms). According to his findings Cretan hospitality firms’ contribution to
local development is not uniform. Specifically, as also found by the studies of
larger hospitality firms tend to import managerial labour, compared to small and
medium-sized establishments, linkages for purchases of supplies from the local
economy by large establishments fall dramatically, where smaller and medium-sized
establishments tend to purchase locally, and the smaller hospitality firms tend to employ a higher number of family members.

Figure 1 summarises various features, found in the literature, differentiating small firms from larger ones and shows that as the size of firms increases, they tend to require higher amounts of these features.

**Figure 1: Features differentiating small firms from larger ones**

<table>
<thead>
<tr>
<th>Large scale</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ High</td>
<td>Barriers of entry (capital requirements, expertise); Foreign ownership/investment; Foreign employment; Non-family employment/management; Leakages; Economies of scale.</td>
</tr>
<tr>
<td>- Low</td>
<td></td>
</tr>
</tbody>
</table>

Source: Andriotis (2002).

Long and Wall (1995) suggest that small-scale development may be the solution to some of the challenges faced by tourism developers, and proposed that the dynamic processes, which accompany small-scale tourism, must be understood and anticipated for the good of an area’s development. Wheeller (1991) notes that small-scale developments are directed to cater for small numbers of tourists, and although they charge high prices and increase the profit of small tourist groups, they have few effects on income generation and employment. Besides, he suggests that even if all tourist destinations succeed in minimising tourists’ numbers, this would not be a solution, since the effective demand of tourism would outstrip supply. As a result, an action like this would be “a micro solution to a macro problem” (Wheeller 1991: 92).

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

**MASS VERSUS ALTERNATIVE TOURISM DEVELOPMENT**

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

Weaver (1991) declares alternative tourism as a replacement for mass tourism, since it is considered “quality tourism (which) implies limited highly controlled development and selective marketing” (Inskeep 1987: 124). Others argue that mass tourism is “inevitable, due to sheer tourist demand, and what is needed is a way to make the conventional more sustainable” (Godfrey 1993: 57). In the same lines, Weaver (1993, 1995) remarks that mass developed destinations should apply some alternative principles to inland areas, rugged coasts and islands of the periphery.

As many studies reveal (EC 1993; Romeril 1985; UNESCO 1976; Vanhove 1997), the majority of negative impacts derive from mass tourism, since mass tourism implies a concentration of high numbers of tourists, requires large-scale investments in facilities, infrastructure and services, and lower involvement of the local community in the development process (Doggart and Doggart 1996; Faulkner 1998). Since mass tourism is characterised by a concentration in time and space, and it is the least sensitive to local resources due to the intensive type of tourism development and the behaviour of package tourists who are attracted by low-cost options, adverse negative impacts are more evident for the host destination (Coccossis 1996; Coccossis and Parpairis 1996; Pearce 1989).

Because of the vagaries attributed to mass tourism, many countries have turned their policies towards encouraging the development of softer (alternative) forms of tourism ‘as a new panacea of modern tourism’ (Hunter and Green 1995; Krippendorf 1982). The reason for this is that alternative tourism has less destructive effects on the environment, society and culture of destination areas and their population, without any significant diminution of the positive economic benefits. Weaver (1995: 597) believes that development of deliberate alternative tourism is limited to a few destinations and individual protected areas because of their unsuitability for 3S (sun, sea, sex) type of tourism and gives the example of Dominica where attempts to develop mass tourism during the 1960’s were doomed due to the mountainous terrain of the physical environment and the lack of sandy beaches.

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

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

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

CONCLUSION
This paper has discussed the major development options with respect to their implications in tourism destinations. At first sight, the five development options are regarded as somewhat mutually exclusive and dichotomous. However, there are potentialities for their combination. For instance, it is possibly for a country to pursue mass tourism in some areas (e.g. coastal) and alternative in others (usually inland areas), or both exogenous and endogenous development according to the desires of each community, the existing patterns of development and the resources of each area. Development options may also be used by the central state to pursue regional development objectives through the encouragement of growth in certain areas rather than others (Brohman 1996: 62). In some sensitive locations, the geographical spread of tourism might be restricted, so as to limit any negative social-cultural and environmental effects; or, depressed areas with high tourism potential might be designated for state support (Brohman 1996: 62).

The five development options, reviewed in this paper, can be categorised into two distinctive groups. The first group includes the options: labour-intensive, endogenous, alternative, small-scale and enclave. This group can be labelled as ‘conscious’, mainly due to the high respect that each of these options attributes to the local resources. The second group includes the options: capital-intensive, exogenous, large-scale, mass-organised and spread out. This group follows the principles of organised mass tourism, and is labelled as ‘conventional’. As Table 1 indicates each group presents different patterns relatively to their impacts to a tourist receiving destination, the ownership/control of the industry and the numbers of facilities and tourists.
Table 1: Grouping and outcomes of tourism development options

<table>
<thead>
<tr>
<th>IMPACTS</th>
<th>‘Conscious’</th>
<th>‘Conventional’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Low - positive</td>
<td>Substantial - positive</td>
</tr>
<tr>
<td>Socio-cultural</td>
<td>Low - Controlled</td>
<td>Substantial – negative</td>
</tr>
<tr>
<td>Environmental</td>
<td>Low - Controlled</td>
<td>Substantial - negative</td>
</tr>
<tr>
<td>Ownership / Control</td>
<td>Local¹</td>
<td>National/International</td>
</tr>
<tr>
<td>Number of Facilities</td>
<td>Few</td>
<td>Many</td>
</tr>
<tr>
<td>Number of Tourists</td>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

¹ Enclaves include an exception, since, most of the times, they are controlled by foreign investors.

Source: Author

The major actor having a great influence in the development of a tourist receiving destination is the national government of a country and the individuals who administer it. As a result, for the adoption of the above options governments, at one point or another, play a significant or even critical influence. Different governments have varying motives for considering tourism development. Governments can guide private investors to opt for one option and to neglect any alternatives, by providing special incentives to facilitate tourism investments. As a result, governments should give serious consideration to the types of development choices, and to their potential consequences before the designation of their investment incentives.

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

However, the impacts, as well as the options and strategies followed by tourist receiving destinations may vary according to the stage of their lifecycle (Andriotis 2001b). In practice, past experience on the evolution of resorts (e.g. Agarwal 1992; Butler 1980; Choy 1992; Douglas 1997; Foster and Murphy 1991; Ioannides 1992; Knowles and Curtis 1999; Priestley and Mundet 1998; Russell and Faulkner 1998; Tooman 1997) has revealed that during the early stages of a destination’s evolution (exploration and involvement), development is characterised by the ‘conscious’ option. However, as the destination becomes more mature it is transformed to ‘conventional’ mass tourism resort. Since it is recognised that with conventional types of development there is an increase of negative socio-cultural and environmental impacts and a high leakage of foreign exchange earnings, there is a need for tourist destinations to attempt to extend, or even remain in the early stages of evolution. By adopting alternative strategies in line with the changing conditions and interests of individual communities, they may achieve
to reinforce the positive effects of the ‘conscious’ option. As Martin and Uysal (1990) suggest “regardless of a destination area’s position in the lifecycle, it is never too late for those in positions of authority to formulate policy and implement management techniques that will ensure them of receiving the maximum benefits from their tourism industry” (p.332).

To conclude, developers and academics should retain the term ‘conscious’ tourism as a desirable alternative that offers viable development options to ‘conventional’ mass development. However, it is a common sense that it will not be possible for all destinations to follow this option. There are destinations that have already adopted the conventional type of development and it will be very difficult, if not unfeasible, to reform their industry. However, if the aim of development is to increase benefits for locals and not for outsiders, tourism policies for destinations development should be directed toward the ‘sustainability’ of the tourism industry and the higher involvement of the local community in the development and planning process. Developers and planners should realise that there is no clear route to destination development but patterns may vary significantly among communities according to local conditions, the available resources and the needs and interests of the public and private sector. Despite the increasing demand for alternative holidays, organised mass tourism cannot be avoided for most tourist receiving destinations, but it will remain dominant in the future.

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