



Research note

Impacts of the refugee crisis on the hotel industry: Evidence from four Greek islands

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H I G H L I G H T S

- The impacts of the 2015 refugee crisis on the hotel industry in Greece are analysed.
- The sample includes 96 properties from Lesbos, Kos, Chios and Samos islands.
- Operational statistics of the accommodation establishments deteriorated.
- The tourist image of the properties and the islands worsened.
- Hoteliers cope by increased marketing efforts, cutting prices and costs.

A R T I C L E I N F O

Article history:

Received 18 December 2016

Received in revised form

1 September 2017

Accepted 5 February 2018

Keywords:

Refugee crisis

Refugees

Migrants

Hotel industry

Greece

A B S T R A C T

This paper investigates the impacts of the 2015 refugee crisis on the hotel industry on four islands in Greece (Lesbos, Kos, Chios and Samos) and hoteliers' responses to it. The sample includes 96 accommodation establishments. Findings revealed that the refugee crisis had a very serious negative impact on the hotel industry of the analysed islands and their operational statistics deteriorated significantly. The image of the islands and of the accommodation establishments were hurt as well. The hoteliers preferred to mitigate the negative consequences of the refugee crisis mostly by increased marketing efforts to attract more guests, and cutting costs and prices, rather than by working with fewer employees, delaying payments to suppliers or requiring more cash payments. Managerial implications, limitations and future research direction are also discussed.

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1. Introduction

The recent geopolitical instability in the Middle East led to a significant increase in the refugee/migrant flows to European countries and mainly to Greece and Italy (173,450 and 181,463 arrivals respectively in 2016) (The UN Refugee Agency, 2016b). In 2015, 1,015,078 refugees/migrants reached Europe by crossing its maritime borders and only in August 2015 the number of arrivals increased by 1500% compared to August 2014 (The UN Refugee Agency, 2016b; Greek Ministry for Economy, Infrastructure, Shipping and Tourism, 2015). In the case of Greece, the largest refugee/migrant flows were recorded on the Aegean islands located

near the Turkish borders (Lesbos, Chios, Samos and Kos – see Tables 1 and 2) (The UN Refugee Agency, 2016c). During the first eight months of 2015 on some of the above islands the number of incoming refugees/migrants exceeded the number of the islands' residents (Greek Ministry for Economy et al., 2015).

From a legal perspective, the concepts of 'refugee' and 'migrant' are quite distinct and the difference is in their motivation to migrate. According to the Convention and Protocol Relating to the Status of Refugees (UNHCR, 1967) a refugee is a person arriving in a different country than the one he/she resides in, in search of refuge or residence permit owing to the fear of lack of protection or persecution for reasons of religion, race, nationality, etc. in the country of his/her nationality. According to UN Refugee Agency (2016a), migrants choose to leave their country not due to an immediate threat of persecution or death but rather in order to have better living standards through work, education or family reunification. Should they return to their homeland, they will continue to

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Table 1
Arrivals of refugees by island.

Island	2015 ^a	2016 ^b
<i>Kos</i>	58503	5147
<i>Lesbos</i>	506919	99361
<i>Samos</i>	104360	15157
<i>Chios</i>	120556	40521
Total	759112	155286

Source: ^a UNHCR site: <http://data.unhcr.org/mediterranean/country.php?id=83#>;

^b Unpublished statistical data provided to the authors by the Hellenic Coast Guard

enjoy the protection of their government. For simplicity, in this paper we shall refer to the 2015 crisis as 'refugee crisis', and to the people entering Greece as 'refugees'. The political discussions whether they are real 'refugees', legal or illegal 'migrants' goes beyond the scope of this paper.

The refugee crisis has multiple negative effects on the tourism activity on the islands: cancellation of hotel reservations, flights, conferences and cruise ship port calls; loss of income; shrinking of the active tourist season; decrease in bookings, etc. As [Table 3](#) shows, the number of tourists arriving by air (the main transportation mode for international tourists) decreased in 2015 compared to 2014. On the other hand, the number of overnights in the hotels and similar establishments on three of the islands slightly increased, but this was probably attributable not to tourists, but rather to employees and volunteers in non-governmental organisations (NGOs), Frontex officers and in some cases – refugees. Moreover, a large number of Turkish citizens visit the islands for short day trips without usually spending the night there. The statistical data in [Table 4](#) reveal that Turkish visitors are not affected by the refugee crisis. This is probably due to the fact that refugees cross Turkey and come to the Greek islands from the Turkish coasts by crossing the Turkish maritime borders. Thus, Turkish visitors are quite familiar with the presence of refugees. The presence of large numbers of refugees on the islands caused crucial social pressure as well as pressure on the islands' infrastructure and carrying

Table 2
Population, tourists and refugees.

Island	Population size (2011) ^a	Number of tourists (2015) ^b	Number of refugees ^c	Number of tourists and refugees	Tourists/local residents ratio	Refugees/local residents ratio	Tourists and refugees/local residents ratio	Refugees/tourists ratio
<i>Kos</i>	34396	970777	58503	1029280	28.2	1.7	29.92	0.06
<i>Lesbos</i>	86436	75767	506919	582686	0.88	5.86	6.74	6.69
<i>Samos</i>	32977	126789	104360	231149	3.84	3.16	7.01	0.82
<i>Chios</i>	52674	7214	120556	127770	0.14	2.29	2.43	16.71

Sources: ^a Hellenic Statistical Authority (<http://www.statistics.gr/en/home>); ^b Unpublished statistical data provided to the authors by the Research Institute for Tourism of the Hellenic Chamber of Hotels; ^c UNHCR site: <http://data.unhcr.org/mediterranean/country.php?id=83#>

Table 3
Key tourism statistics on the islands of Kos, Lesbos, Samos and Chios.

Island	Key statistics	2012	2013	2014	2015
<i>Kos</i>	Number of foreign tourist arrivals by air	802760	925834	10111194	970777
	Number of hotels and similar establishments	269	270	268	263
	Number of overnights	4518972	5276744	5340809	5796309
<i>Lesbos</i>	Number of foreign tourist arrivals by air	48435	54395	76413	75767
	Number of hotels and similar establishments	114	111	109	110
	Number of overnights	394727	458918	563283	584023
<i>Samos</i>	Number of foreign tourist arrivals by air	108151	103563	122392	126789
	Number of hotels and similar establishments	169	166	166	163
	Number of overnights	656947	773643	809466	797400
<i>Chios</i>	Number of foreign tourist arrivals by air	8433	8735	8228	7214
	Number of hotels and similar establishments	59	63	63	63
	Number of overnights	144799	169882	177390	196374

Sources: Unpublished statistical data provided to the authors by the Research Institute for Tourism of the Hellenic Chamber of Hotels.

Table 4
Number of Turkish visitors on the islands of Kos, Lesbos, Samos and Chios.

Island	2012	2013	2014	2015
<i>Kos</i>	43596	45184	58077	60971
<i>Lesbos</i>	25807	39005	43744	50659
<i>Samos</i>	n/a	10710	13393	18292
<i>Chios</i>	29928	56254	68912	82075

Sources: Unpublished statistical data provided to the authors by the islands' Port authorities and the Customs offices.

capacity. An interesting fact is that on all examined islands the number of refugees exceeded the number of local residents, thus leading to a high ratio of refugees to local residents, which in the case of Lesbos, for example, reached 5.86. This comes on top of an already high ratio of tourists to local residents, which, for example, in the case of Kos reached 28.2 in 2015. In two of the four examined islands (Lesbos and Chios) the number of refugees surpassed by far the number of tourists. At the same time, the simultaneous presence of both population groups (tourists and refugees) on the islands compared to the local population of these islands results in a very high ratio of tourists and refugees to local residents, which in the case of Kos, for example, reached 29.92. During a crucial economic period, these facts have triggered negative multiplier effects on the entire economy not only of the islands but also countrywide ([Greek Ministry for Economy, Infrastructure, Shipping and Tourism, 2015](#)). They reduce the growth rates of the tourism demand, especially on the islands under investigation, thus causing unequal geographical distribution of tourism demand and a fall in hotel prices ([Research Institute for Tourism, 2016](#)).

Moreover, the image of the country projected through international and social media is changing and is associated all the more with images of gloom and often poverty ([Tzanelli & Korstanje, 2016](#)). The strong international attention drawn to the refugee crisis had a negative impact on the tourism image not only of the islands where the major refugee/migrant flows were recorded but of the entire country as well ([Greek Tourism Confederation, 2016a](#)).

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