REFLECTIONS OF CRISIS IN TOURISM SECTOR AND PUBLIC POLICIES APPLIED TO TOURISM SECTOR DURING CRISIS PERIODS: TURKEY SAMPLE

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Abstract— The tourism sector is a flexible sector which can be easily affected by any negative development. Countries that aims sustainable tourism income should take precautions against crisis. To do this, the country governments and industry managers should prepare effective crisis management plans and should apply these precautions in the frames of these plans. These precautions and crisis management plans that would be taken and applied should have the qualities which can sustain growth of Turkish tourism sector and help it to achieve its targets.

Keywords— Tourism, Crisis, Public policy.

I. INTRODUCTION

The current economic, social and technological developments experienced in our century have caused markets to become globalized and carried their competing interests into international dimensions besides intensifying them. This globally competitive environment has provided a basis into causing or triggering these crises.

Turkey has a significant tourism potential with its rich natural beauties and cultural assets. Quantitatively and qualitatively increasing number of accommodation facilities and airline companies has increased the role and significance of Turkey in this strong competition environment. Therefore, it is important to understand the significance and role of tourism sector in national economy and global market, putting an emphasis on creating consistent policies with the characteristics of this sector and enhancing the development. In addition to these regulations, determination and application of efficient and effective conflict strategies against current or possible crises will minimize the effects of such a crisis and not bring its rapid improvement into a standstill.

Many types of crises have either positive or negative effects on tourism sector. These effects are minimized and moderated with the strategies put into application. It is important to update current strategies over time and improve new strategies at the same time.

When the economic and social effects of tourism are evaluated, it is mandatory to create a tourism policy by reinforcing the efforts spent on making new policies and steps so far in order to become a shareholder in the market and to improve strategies that will lead interaction process into a positive conclusion with this share. In this view, the only way for Turkey to develop tourism and get more positive results is to reinforce this process with a policy.

In this study, the types of crises that have an effect on tourism and solution policies applied by the government during these crisis periods are evaluated.

II. DEFINITION OF CRISIS AND ITS PROPERTIES

A. Definition of Crisis

The concept of crisis is defined as any change that will have a thorough or partial effect on the integrity and function of an organization. An organization (structure) goes far from its previous position during a crisis period; however, this does not mean that it has a
new formation. The possible direction of a change is not even clear yet [1]. A crisis refers to an unpredictable and unexpected tense situation that threatens present values, objectives and assumptions of an organization that should be responded right away by weakening their prevention and adaptation mechanisms.

A crisis also refers to events that subverts and destructs the present order when occurred either unexpectedly or suddenly. Asian-Pacific Travel Association (PATA) defines tourism crises as ‘all types of disasters that have a potential to put an effect on tourism industry, either caused by nature or humans’ [2].

B. Characteristics of a Crisis

A crisis refers to such situations that endanger the most important objectives of an organization or its presence, threaten its continuum and require an urgent action, in which decision making mechanisms are insufficient in terms of prediction and prevention, therefore leading a tension in the organization. According to this definition, the main characteristics of crises are as follows: [3]

* Unpredictability of crises and incapability of organization in terms of vision and measurement
* Threating the presence and targets of organization
* Lack of source, information and time to find a solution to the problems
* Necessity to take immediate action
* Creating tension in the management

Crisis periods are unusual points of time with all these characteristics. This situation also indicates that routine management continues, some faulty decisions are made and formations and changes occurring in the outer environment are not foreseen and not monitored with care in the organization during the formation stage of a crisis [4].

III. FACTORS LEADING INTO CRISIS IN TOURISM SECTOR

Crises may also result from macro factors outside the company just as they do from the ones within the company. Some of these factors outside the companies are described as natural environment, economic system and economic situation of the country, technological factors, changes in socio-cultural factors, legal and political regulations, international environmental factors and tourism [5]. Internal factors are the ones that are inside the control field of a company, called as micro factors and mostly result from the organization, management, managers, personnel, budget and technical equipment [6]. If it is caused by the factors inside the company, it is easier to find a solution to these problems. However, if it occurs outside the company and not under its own control, it gets more difficult to create a solution in this situation [7].

The crises that have an effect on tourism sector can be evaluated in two dimensions as the ones caused by the events occurring inside and the ones outside the country. Crises may be of an extent to affect a country, a region or a touristic area. After these crises, companies operating in tourism sector will negatively be affected from this. National Tour Organization (NTA), operating in the United States of America, has described factors that may affect tourism companies and lead to crises as crises caused by nature, by humans and by the bureau.

Table-1: Crises faced by tourism companies and their reasons

<table>
<thead>
<tr>
<th>Crises caused by nature</th>
<th>Crises caused by humans</th>
<th>Crises caused by the bureau</th>
</tr>
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<tbody>
<tr>
<td>Fire</td>
<td>Instability</td>
<td>Fire/Arson Administrative mistakes</td>
</tr>
<tr>
<td>Storm</td>
<td>War</td>
<td>Provisional mistakes</td>
</tr>
<tr>
<td>Flood</td>
<td>Anarchism</td>
<td>Lack of administration</td>
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<tr>
<td>Epidemia</td>
<td>Politic chaos</td>
<td>Lack of personnel Sabotage</td>
</tr>
<tr>
<td>Earthquake</td>
<td>Sectorial operations</td>
<td>Fraud</td>
</tr>
<tr>
<td>Avalanche</td>
<td>Plane crashes</td>
<td>Poor quality of products</td>
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<td></td>
<td>Abduction/Ransom</td>
<td>Misrepresentation</td>
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IV. REFLECTIONS OF CRISES IN TOURISM SECTOR

In the last two decades, the world has been shaken with subsequent economic and social crises. Tourism demands are highly sensitive especially in terms of safety and health. When looked back into the last twenty years, it is seen that many national and international scale crises caused a decrease in tourism demands. It is still possible to remember the effects of 1991 Gulf War on tourism demands in such countries as Middle East, Mediterranean, European countries and especially in Turkey. The economic crisis in 2009, called the biggest economic crisis besides the attacks made to World Trade Center in New York in September 11, 2001, the SARS virus in Far East, the bankruptcy of Enron, one of the biggest energy companies of the USA, the bombing in Blue Bazaar, terrorist events in South East, economic crisis in our country in 2001, earthquake in 1998, bird flu, floods, swine flu and economic crisis in 1929, are all some examples of crises that happened in the last two decades and negatively affected tourism demands [8].

The global economic crisis in 2009 was strongly experienced in tourism as in all other sectors. It is seen that Turkey is ranked as seventh in international tourism market with its 25,5 million arrivals, creating a 2% increase when compared to previous year in terms of estimated tourist arrivals in 2009 while the decrease in international tourist arrivals and tourism expenditures as of 2009 goes down to 4.3% when compared to they year 2008 in terms of global-scale international tourist mobility in 2009 in accordance with the barometer prepared by World Tourism Organization. Notwithstanding, the sector experienced a decrease of 3.2% in tourism incomes and ranked as ninth with 21,3 million dollars when compared to the year 2008 due to the effects of crises [9].

Since 1984, terrorist attacks made to law enforcers and citizens by PKK terrorist organization, the propagandas made against Turkey in foreign countries and boycott summons against Turkey have all put a serious effect on tourism sector in Turkey [10].

In the beginning of 1999, although there was a growing tourism demand in Turkey, there were significant decreases in bookings after February. As a result of campaigns organized to smear tourism in Turkey and supported by public and foreign media in European countries in terms of terrorist organizations, there were almost 50% cancellations in reservations in some countries. In March 15, 1999, the terrorist groups declared all Turkey including its touristic areas as its own region and asked the tourists who planned to visit Turkey to cancel their bookings. There was a great recession in tourism in Turkey as this declaration was supported by foreign public opinion. By starting the trials of terrorist leader caught, the events repeated after the sentence of death given in June had a negative effect on the decisions of touristic consumers who planned to visit Turkey during tourism season [11].

In November 15, 2003 in Istanbul, the attacks made to Beth Israel and Neve Salom Synagogues put a significant damage on the image of Turkey. Likewise, the bombing attacks made to HSBC building and British Consulate General in Beyoglu right after five days also had negative effects on tourism sector in Turkey.

It is also seen that there was an important decrease of 82% in the number of reservations in Istanbul hotels right after the start of Gezi Parki events in May 27, 2013. Turkish tourism was unable to reach the expected growth number of foreign visitors in June. The increase in the number of foreign visitors on a monthly scale was quite behind the first five months with a percentage of 4.93. The increase experienced in the first five months almost stopped and dropped from 18.47% to 14%.

In November 24, 2015, causing the Russian plane to crash due to border violation and the subsequent embargo applications against Turkey by Russia have been the most influencing event in tourism sector in recent years. In this process starting with the Russian crisis, it is announced that almost 1300 hotels in Aegean and Mediterranean coasts are for sale and it is estimated that the economic loss will be around 4.5 million dollars as there will be, as anticipated, a significant decrease in the numbers of Russian tourists to be visiting Turkey this year.
In January 13, 2016, 10 tourists, most of whom are of German origin, were killed in the suicide bombing attack in Sultanahmet, Istanbul and the recent suicide bombing event in Ankara has also put a negative effect on the image of Turkey and Turkish tourism.

In the light of all these developments, tourism incomes obtained from foreign visitors are 22.4 billion dollars in 2012, 25.3 billion dollars in 2013, 27.7 billion dollars in 2014 and 25.4 billion dollars in 2015 in accordance with the data presented by the Ministry of Culture and Tourism. Although tourism incomes from foreign visitors were on increase until 2015 in terms of years, it is seen that there was a decrease of 8.4% in tourism incomes of 2015 when compared to the year 2014. In other words, there is a loss of 2.3 billion dollars in 2015 when compared to the previous year. It is anticipated that the amount and rate of this loss will be greater in 2016. Therefore, it is quite optimistic to estimate a loss of 4.5 billion dollars in tourism incomes. It is mandatory to create urgent advertisement strategies to change and improve the recent perceptions about Turkey in foreign countries.

V. PUBLIC POLICIES APPLIED TO TOURISM SECTOR IN TURKEY DURING CRISIS PERIODS

In pursuant of general economy policy in a country, tourism policy refers to economic targets, on one hand, such as improving and directing both domestic and international tourism, getting the best benefit from economic functions of tourism (creating employment using income and expenditure of tourism) in the most rational ways and, on the other hand, to all precautions and interventionstaken by public managements in order to reach meta-economic targets (other than economy) that have social and cultural characteristics [12].

Turkey began to discuss its economy policies with a broader angle in 1960s, which was the first period it also started to realize the importance of tourism. However, according to the objectives and their realization reports, the amount allocated to tourism investments did not exceed 0.7% of fixed capital investments in total until 1980s. The Law for the Encouragement of Tourism Numbered 2634, put into effect in 1982, played a crucial role for the sector to reach its present stage. Although it is true that we have some issues about tourism, both public sector and tourism associations in Turkey still continue to their business in their best. In addition to this, some recent practices to improve tourism in Turkey also involve the certification system valid in European Union in terms of vocational education, putting into effect some legal regulations, progression of practices for tourism diversification and preparation of Action Plans that involve the period between 2007 and 2013 and Turkey Tourism Strategies Plan for 2023 [13].

It is possible to classify the encouragement and incentive practices in tourism sector as follows [14]:

- Incentives and Services provided by Small and Medium Enterprises Development Organization (SAMEDO),
- Encouragement and Incentives applied under the statement of Board of Ministers on State Aids in Investments,
  - Incentives provided under the Law for the Encouragement of Tourism Numbered 2634
  - Exemptions defined under Real Estate Tax Law Numbered 1319
  - Loan facilities provided by Turkish Export Credit Bank (EXIMBANK)
  - Encouragement of Foreign Capital Investments
  - Incentives to participate in foreign tourism fairs

The above-mentioned encouragement and incentives are the ones provided under normal circumstances, however, the following precautions are taken in general due to the crisis experienced with Russia in recent periods:

* Group A travel agencies, carrying tourists from all countries, will be supported with 6 thousand dollars per flight between April 1 and May 31 2016.
* Group A travel agencies, having carried at least 400 thousand tourists in the previous year, are provided with a loan facility that reaches 100 million TRY by the bail of credit guarantee fund.
* Banking Regulation and Supervision Agency (BRSA) will make a new configuration support. Sector companies will be able to reconfigure their bank debts due to pay if there may be such problems
in tourism sector as a possible economic constriction or difficulty in paying back.

* Sea tourism facilities certified by the Ministry of Culture and Tourism will benefit from the incentives of the Ministry of Economy. Certified sea tourism facilities will benefit from the incentives as other accommodation facilities in the region when making new investments or facility restorations.

* Sea tourism facilities will be involved in exporters. Previously, the income limit of 1 million dollars required being an exporter of these facilities was dropped to 750 thousand dollars.

* Facilities certified as environmentally friendly will be subject to the lowest tariff when paying water, wastewater and solid waste bills. The difference will be provided by the section.

* The rental values obtained from accommodation facilities allotted by the Ministry of Culture and Education will be postponed for the ones in 2016 and will be paid in three equal installments in the following three years.

* Share prices collected from overall endorsement rates of accommodation facilities allotted by the Ministry will be postponed and paid in three equal installments.

VI. RESULTS AND RECOMMENDATIONS

In accordance with the World Tourism Organization, more than 1,184 billion people were involved in tourism activities with an increase of 4,4% all over the world in 2015. It is estimated that this number will reach 1,6 billion in 2020. On the other hand, although global tourism economy was 1,4 trillion dollars in 2015, it is anticipated that this number will exceed 2 trillion dollars in 2020. With all this great potential and economic contributions, tourism plays an important role in the world economy. Besides being important in the world economy, it has also gained crucial importance for Turkish economy in recent years.

In accordance with the data of 2015 by the Ministry of Tourism, while the number of visitors to our country are on increase when compared to previous year (41 million 617 people), it is 31 billion 464 million dollars with a decrease of 8,3% in 2015 when compared to the previous year in terms of income.

Tourism sector in Turkey has been ranked as sixth in the ranking of countries attracting the most tourists with its private sector incentives and entrepreneurs, also supported by the general public. It is the third country in Europe with its bed capacity.

So far, there have been many national or international economic crises and internal or external political disputes experienced in Turkey and sectors have managed to overcome these crises with their own efforts during these crisis periods. However, it is impossible to overcome some crises without support from the government.

The first incentives enabled in 1980s play a great role in reaching the present day of the sector. Due to the recent crises experienced in Turkey, the precautions and measurements taken by the government are mandatory but not sufficient. Besides these precautions, the following applications and precautions should also be realized. These are as follows:

* Although many unions, chambers and associations represent the sector and many shareholders, there is no single structure that binds them together. These organizations must be gathered under the same structure and define their tourism policies in advance. Cooperative action policies and solution maps must be described by this structure against any crises that may occur, because it is important to foresee the reasons of crises before they occur and to take the necessary precautions by preventing any depression and chaos.

* In addition to worldwide advertising activities, Turkey is still insufficient to conduct these activities. Presently, it is possible to find the combination of sea, sand and sun at any destination. It plays a crucial role for the sector to bounce back by adding safety element into this combination of sea, sand and sun, changing this perception about our country worldwide and creating a different image in people’s minds.

* The advertising budget must be at a constant and sufficient level. The budget rate of the Ministry of Culture and Tourism in 2015 is 0,6% (about six in thousand) within the general budget.
* Besides creating a country brand name, regional and local hotel brand names should be made familiar all around the world.

* With respect to tour operators, it is important to free them from external dependence and dynamic Turkish tour operators must be trained. Not more than ten years ago, there used to be a lot of dynamic tour operators in each foreign country, but now they are all closing one by one. The reason why tour operators are closing must be examined thoroughly using the available scientific data and Turkish tour operators must take its seat back in the market.

* Although the concept of market diversity is mentioned by everybody for years, market diversity that has made no investment in new markets are still unable to establish a balance. Market diversity is one of the most important elements in which crises are managed on a mild scale.

* Product diversity has a non-integrated structure without an appropriate infrastructure, quite messed up, unplanned and no target market and tried to be improved with a structure that has no market plan and short or long term strategic advertisement. It should be taken into serious consideration and cooperated with a strategic plan. Consumer profiles must be prepared with a proper market search and new products must be invoked and driven forward in accordance with market demands.

* There should be a research company to conduct continuous serious researches and questionnaires before, during and after crises and precautions must be taken with the data gathered. After specifying reasons and results, weak and strong points must be defined and then Urgent Action Plans (Micro) and Long Term Action Plans (Macro) must always be kept up-to-date.

* Other than the advertising strategies applied at normal circumstances during crisis periods, different advertising strategies must also be determined that targets local and foreign travel agencies having a direct influence on foreigners. In other words, lobby activities must be organized following the procedures other than the normal conduct of business. These procedures could involve incentives given to travel agencies. These incentives must enable a mutual cooperation between companies in tourism sector.

* The problems of employment and finding qualified personnel have reached a serious dimension within the sector and many companies seek to solve this problem by employing foreign personnel. In this view, available personnel in tourism sector must be trained in serious courses issuing certificates and backing people with certificates must be avoided. The programs taught at schools of tourism must be revised and only admit students at numbers required by the sector, give a high-quality education, therefore bringing qualified personnel into the sector.

VII. REFERENCES


