

Greek tourism and economic crisis in historical perspective: The case of travel agencies, interwar years

Abstract

The interwar years may be considered as a key period for Greek tourism. Prepaid packages, group carriage, larger hotel and travel firms and finally, state policies signified the transition to modern tourist practices and opened the way to the mass tourism phase after the Second World War.

The period under examination has had an ambiguous benchmark, however, in terms of the degree of negative impacts. Undoubtedly the aftermath of the world economic crisis and the following bankruptcy of the Greek state affected all economic activities. Statistics as well as personal business archives reveal the extent of the consequences on Greek tourism and its transition-growth procedure.

In the current paper, travel business is examined. More specifically, the types of organisations, motives of entrepreneurship, strategy and management patterns at the time of crisis, are related to the ability of surpassing the problems and to their continuity. The paper suggests that the economic implications were a challenge for Greek tourism and travel business that overcame the problems, in the long term. The private sector tried to exploit the favouring circumstances and the dynamism that followed but this was not the case for the public sector.

Introduction

Mediterranean economies increasingly rely on tourism revenue; for Greece tourism is considered the main economic activity. Lately, while a deep depression has set in the country, political and economic analysts' discussion, has focused on tourism and its possibilities to help the economy confront the negative effects of the crisis. A retrospective glance on previous crises may generate interesting observations about policies and strategies to overcome depressions.

It is worth considering the effects of the 1929-1932 crisis. Among the measures that proved effective in dealing with the 1929's depression, internationally, was investment mainly through public and industrial projects, which led to economic growth. Considering tourism as an industry, it could be argued that investment in the hospitality sector and synergies with other industries (transport, culture, leisure, infrastructure) could prove beneficial. As far as services are concerned, small businesses like travel agencies could contribute to economic development, through the introduction of innovations and efficient management¹. Furthermore, in periods of crisis the flexibility and adjustment characteristics of small firms acquire greater significance. The function of tourism as part of the modern service sector has received little attention by Greek historians and, perhaps by European scholars in general, in relation to managerial capitalism usually determining big business. Travel firms are a neglected area of research even though they have always had a special role in shaping the tourism market². In our research on Greece, small, travel businesses constitute a sector with special value and economic importance.

Tourism development was somehow connected to (an earlier) economic crisis since the late 19th century, when the Greek nation faced serious problems in its agricultural production, specifically currant culture and trade. There were direct effects on employment which led to massive emigration to the USA. Emigration and tourism were connected, since travel agencies of the early 20th century evolved to tourism agencies handling incoming groups of foreign visitors. It was that period that a tourist system, in a way resembling what L. Tissot has described as the Swiss model³, was built in Greece. Also profits from emigration business were used in the tourism business. The two sectors overlapped as the first agencies with orientation towards tourism, had also customers for emigration. Later on, the incoming revenue in the form of emigrant remittances was used to

¹ See, for instance, Mary Rose (ed.), *Introduction*, in *Family Business*, Edward Elgar Publishing, 1995, pp xvi, xxiv

² For the role of travel agencies, see L. Tissot, *Les agences de voyage et l'industrialisation du tourisme (1840-1900)*, in Bairoch- Korner (eds.) *La Suisse dans l'économie mondiale (15e-20e siècle)*, Genève/Zurich 1990

³ See L. Tissot, *Building a Tourist System: The Montreux-Oberland Bernois Railway Company (1900-1970)*, in Dritsas Margarita (ed.), *European Tourism and Culture, History and National Perspectives*, Livanis Publishing Organization, Athens, 2007

invest in hotels in Greece⁴. Expatriates also established agencies abroad, which handled the Greek communities' needs for travelling (constituting an important tourist clientele for Greece), while others were occupied in the travel business when they returned to Greece a few years later. In that respect, current crisis confirms that the 19th century can be viewed as a period of incentive for the growth of tourism.

Moving on to the crisis of 1929-1932 there were also important effects on tourism. Already developed tourism business units, responded to the new situation. The paper examines strategies, and organization of business which were normally adjusted to cope with lower profits. Some actions and measures had short term effectiveness; others may have ensured the longevity of firms. When profits soon started rising there were challenges for renewal of work methods, tools and functions. An important area under examination lies on the perception and assessment procedure of the new opportunities by the actors. Furthermore, the growing competition and the new circumstances offered possibilities for business expansion to the same or other markets, or establishment of new businesses or activities.

An important factor which determined the framework within which business operated was the state and its policies for tourism, therefore it should be considered. Network constitution as well as national and international associations, macroscopically, were also key factors which took special action during that difficult period, while cooperations and agreements with foreign tour operators were reformed as a result of the crisis.

The seventies' oil crises are considered mainly in an effort to draw possible similarities in business strategies and state policies. The paper focuses on the interwar period and the 1929-1932 crisis.

⁴ See Margarita Dritsas, *History and the History of tourism industry in Greece*, in Alice Teichova, H. Matis, A. Resch (eds), *Business history: wissenschaftliche Entwicklungstrends und Studien aus Zentraleuropa*, Wien 1999, pp. 181-196

State policies

After the Asia Minor disaster in 1922, there was political as well as social instability in Greece. One million refugees settled in the country and brought changes in the society, thereby the years that followed may be considered as a difficult, adjustment period. Tourism was a neglected sector in the twenties but, after 1928, the new liberal government's efforts for its development became more systematic. Despite the outbreak of the crisis, those efforts continued, but their duration proved short. Tourism was seen as a way to import foreign currency in order to improve the balance of payments. After the enforcement of the USA quotas (1921, 1924) restricting emigration (Table 1), remittances had declined, and tourism was seen as an alternative policy, in that sense.

In 1929 National Tourism Organization (NTO) was founded. Also a school for tourism professions and a separate school for guides (1932) were established by the organization, which improved the level of knowledge and training in hosting and guiding. Plans were made for a school for hotel professions (the budget was approved since 1929 and teachers were sent to Switzerland for training) but they were not achieved probably because of the budget cuts (a school for tourism professionals was established, after all, in 1937). NTO also proceeded in improvements in infrastructure, like the establishment of motels in various spots of the country, to host tourists. The organization operated until 1936, when the Metaxas dictatorship regime removed its autonomy and integrated it in the "under-secretariat for Tourism and Press".

In 1929, despite the crisis, efforts for tourism development continued. The goal was to give prominence to the country and transform it to a competitive tourist destination. A Greek advertising agency ("TOURIST TRAVEL BUREAU") promoting tourism was established in Washington (1929)⁵. There were conflicting interests and disputes between the government, the NTO and the Greek-American community, regarding the management and financing of the

⁵ Its goal was to improve traveling to Greece through publishing, providing information to Greek or foreign persons or associations. Also it provided information about commerce and promotion of Greek products while organizing expositions for that cause

bureau. The government had cut the NTO's budget by 50% and had reduced the salaries of its employees hence NTO had objections about the managerial cost of the bureau. The Greek-American community, on the other hand, in an effort to control the management, requested a (particular) Greek manager (asking higher salary than the American one). The Greek government finally hired two managers, a Greek and an American one, increasing that way the cost, as a middle ground to satisfy all parties. The example is typical of cases when governments have to take difficult economic policy decisions and at the same time try to please all parties in order to preserve their good public image.

There were further contacts between the public and the private sector. The Prime minister himself had personal contacts with tourism entrepreneurs and his strategic decisions were influenced from, if not adapted by the private sector. He was often accepting suggestions to improve the country's infrastructure by entrepreneurs and NTO managers. Also, private parties proposed development strategies in related sectors, like the building of new hotel units. They had also proposed the establishment of NTO, before it was actually planned.

By 1931 the economic situation of the country had worsened and NTO proposed to the government low cost measures for tourism development, like the creation of local funds for tourism (financial contribution from local entities and not from NTO), and the employment of special tutors to impart "proper behaviour" to the locals, during tourists' reception. Investments had frozen⁶, budgets were cut and depression was approaching Greece. Due to the crisis many hard economic measures were taken. Export of local currency was prohibited and the conversion of foreign currency to drachma was imposed to all entrepreneurs and expatriates. Greece went bankrupt and the government lost the next elections. These events brought further frustration to all economic activities. Meanwhile industry was not so much affected by the crisis since it was rather undeveloped, but exports of agricultural products declined considerably⁷. The monetary system had repercussions and Greece left the gold standard in 1932. Devaluation of the

⁶ In 1931 the company «Loutraki Development Company Limited» complaint about the delays of the projects

⁷ Margarita Dritsas, *Βιομηχανία και Τραπεζές στην Ελλάδα του Μεσοπολέμου*, Μορφωτικό Ίδρυμα Εθνικής Τραπέζης, Αθήνα 1990, pp 61

national currency followed but this effect, gave tourism the opportunity to continue growing, soon enough.

Political instability followed and a dictatorship regime took control in 1936. NTO was ceased and replaced by other agencies more directed by the new government, while strict measures and rigorous policies followed. At the same time tourism was used for propaganda⁸. Tourism development strategies were destabilized. These political changes that were in a way, related to crisis, but mostly to the economic difficulties of the country, affected tourist policies, and the development of tourism.

Business practices in an international scene

While crisis had hit USA and was heading towards Europe, private investment in means of transport was taking place, in some cases stemming from the request of alternative paths to development. In 1930 the first commercial air transport company (“Greek Company of Air Transport”⁹) began operations. The line connected Athens with Salonica and Ioannina. The planes had a capacity of 12 persons and the cost of the trip was 700 and 650 drachma respectively (a monthly salary of an employee that time¹⁰). That period only Deutsche Lufthansa flew in Greece. As shipping and railways were having difficulties, new technologies seemed promising, not only in Greece, but also in the rest of the world.

In 1932 the English tour operator «Polytechnic Touring Association» in cooperation with Imperial Airways, organised a group trip for tourists. The idea emerged as tourist agents tried to avoid payments in foreign currency to railway companies, since governments had imposed restrictions because of the crisis. The

⁸ Margarita Dritsas, *Tourism in Greece: A way to what sort of development?* In L. Tissot (ed.) *Development of a tourist industry in the 19th and 20th century: Technology, Politics and Economy. International Perspectives*. Ed. Alphil, Neuchatel 2003, pp. 187-210

⁹ Among the founders was National Bank of Greece. The Director of the Board from 1931-1939 was the bank’s manager

¹⁰ “Τουριστική Ελλάς” Magazine, November 1930

tours soon stopped because the air company had economic difficulties¹¹. This project was an important evolution in travel business, signifying a new era in airways and travelling, brought by the development of tourism. Also, it is an event confirming that the crisis and the following economic difficulties opened the way to new business practices.

In the case of Greek steamship companies, which were already facing difficulties in the mid-twenties and were also affected from the crisis, new strategic patterns were also under examination. Until the First World War, it was a blooming period (Table 3), for liner shipping (mainly because of emigration). Table 3 illustrates the steamship agencies' and the travel agencies' growth. Those categories reflect the well being of steamship companies. Many foreign companies had branches in Piraeus, plethora of ships connected the Greek harbours with foreign ones, and also, the Greek mainland with the islands. In 1929, though, the biggest Greek companies decided to merge and form "Greek Steamship SA". The merge was a response to the big competition which followed the outbreak of the crisis. Efforts to introduce new price policies (mainly reductions) and advertising followed.

The international crisis also affected agencies through the reduction of emigration which was already heavily reduced because of the USA quota system introduced in 1921 and 1924.

Table 1: Emigration 1924-1929

Year	Number of Emigrants
1921	29.135
1922	4.426
1923	5.212
1924	8.152
1925	3.576
1926	6.745
1927	9.255
1928	8.850
1929	9.710
1930	6.278

¹¹ J. C. Holloway, N. Taylor, *The Business of Tourism*, Pearson Education, 2006 pp. 41

1931	3.425
1932	2.838
1933	2.444

Source: Greek Statistic Bulletin, 1959, 1960

The following table (2) illustrates how tourist arrivals evolved during the years under examination. What is interesting is that tourist numbers in groups were reduced considerably, while the crisis apparently had little effect on sole travellers. Groups usually originated in the USA, Germany, and England, countries that were most affected by the crisis. Sole tourists came also from Italy, France and the Balkan countries¹². Still the trend was reversed in just a couple of years (but remained rather stable after 1934). The negative effects were short term showing how quickly tourism reacts to both low and upper economic trends (depicted in the table).

Table 2: Tourist Arrivals in Greece, 1928-1933

Year	Total Arrivals	Foreigners	Greeks	Tourists	Tourists in groups	Tourists from Egypt	Total Tourists
1928	75682	45000	30682	7200	15000	4500	26700
1929	110157	70000	40157	9800	26000	5500	41300
1930	116260	71662	44598	11000	12000	4276	27276
1931	104000	78000	26000	9600	17000	6350	33550
1932	102000	72000	30000	11000	21000	6600	38600
1933	124000	92000	32000	18505	31500	12000	62005

Source: Γ. Μάνος, Ο τουρισμός εν Ελλάδι, 1939

During the interwar years, organised tourism had already developed a lot in the industrialized western societies and had started affecting developing countries, like Greece, as illustrated in the table (2). It was an important period since travel

¹² The countries which preferred Greece, where those having traditional bonds, since the Grand Tour era. Greece was added in Thomas Cook itineraries to the East, as a middle destination, since the 19th century. Perhaps this ship connections urged more Egyptian travellers towards Greece (Greek diaspora being an important clientele)

organizations were growing and trips *à forfait* and *tout compris* were increasing. In the case of Greece, groups were arriving, and Greek partners were handling domestic needs. During that period, banks started being involved in the sector due to those procedures. Foreign tour operators did not pay immediately but only after trips ended and under those circumstances local agencies needed to borrow working capital. The lack of cash was often a problem, in that sense, and if the crisis did not bring up such problems, it certainly worsened them. At the end, this kind of financial operations dominated the scene to date.

Organizations such as tour operators were key factors, affecting the growth of tourism. The decisions of the number of tourists travelling, the promotion of particular countries, was in the hands of, rather few agents, still, following the steps traced by Thomas Cook. As they multiplied, the need to act en masse emerged. A number of Associations were established during the interwar years. The most important was FIAV (Federation Internationale des Agences de Voyage-1926). When the effects of the economic crisis were acknowledged, those important entrepreneurs constituting FIAV (among them was Thomas Cook) held the “Creative Tourist Agents’ Conference”. Its agenda comprised the stabilization and definition of the travelling packages’ prices¹³.

In 1931 another important association, ASTA (American Steamship and Tourist Agents Association) was established, perhaps in response to the economic difficulties stemming from the crisis. Its main goal was to improve the economic gains of its members and act towards their benefit. It negotiated commissions that stemmed from cooperations with steamship, railway, hotels, and later, air companies. AGOT (Association Generale des Operateurs du Tourisme) was another association that became active after the crisis. In 1933 it made an important agreement with Association Internationale Hotelier (A.I.H.). Hotels reduced their prices, prepayments from AGOT’s members ceased, exercise of touristic activities was prohibited (probably guiding). A 10% commission of reservations was consolidated for travel agents. Finally, in 1934 «Skåb» (Association Internationale des Skål Clubs), was established in Paris. Skål had its roots in travel

¹³ Source: Thomas Cook website

agents but later it also acquired members from other sectors of the tourism industry.

It is obvious that the crisis strengthened competition in international level and entrepreneurs tried to respond through establishing associations for cooperation, special agreements and reduced prices. Many such practices are familiar nowadays but they are not modern at all: they have deep roots in the past.

After the crisis, as it seemed a prosperous period for tourism, Greek entrepreneurs joined international associations. This meant prestige in national and international level, on the one hand, and placing in the centre of decision making in international matters, on the other. Ghiolman travel was a member of FIAV from 1936. The same year, perhaps not randomly, it signed an important agreement of exclusive representation of the Swiss Railways (The agreement comprised details about ticket gradation, payments procedures, commissions (3-10% depending on the ticket type but mainly it was correlated with yearly sales volume), but also, an important parameter was advertising, not only of Swiss Railways but also of Switzerland).

The first Greek Association for travel agencies was established in 1920. The most important one that operates until today was established in 1937. The positive climate and the increase of the agencies that followed the crisis alerted entrepreneurs and decided to organize their activities by functioning in many cases, as a team. Moreover, crisis increased even more the necessity of new, modern strategies in the Greek market. Consortia were formed the following years, mainly to handle domestic activities and excursions. Through horizontal procedures the costs of the agencies were reduced. Mergers were decided and proceeded that period, like «Π. Κωνσταντινίδης και Α. Κοκκινάκης» agency that was sold to a bigger agency, «Παγκόσμιο Γραφείο ταξιδιών». The team spirit and such cooperations among Greek agents remained vital in the post World War (II) period.

Greek agencies' numbers were considerably increased until 1910 as illustrated in table 3. Travel agencies' main objective was tickets' issuing and they represented more than one steamship companies. Tourism agencies were those oriented and specialized in tourism activities (guiding, excursions in the mainland

etc). The First World War inflicted tourism and only three tourism agencies survived, Thomas Cook's, Ghiolman's and «Γενικό». Until 1929 more tourism agencies were established (at least 20). In 1936, according to «Touristiki Hellas» magazine¹⁴ only 12 tourism agencies operated. We assume that either the magazine refers only to the biggest ones, or that the figures suggest that the rest did not survive the crisis. The following years more agencies were established, as we can observe in table 3, and tourism agencies almost retreated to previous state, until the outbreak of the Second World War. The fascinating increase of the previous decades, was now over.

Table 3: Number of tourism and travel agencies until WW2

	1880-1889	1890-1899	1900-1909	1910-1919	1920-1929	1930-1939
Steamship Agencies	5	9	24	16	15	20
Travel Agencies	0	1	13	15	36	23
Tourism Agencies	1	1	4	8	23	22
Total	6	11	43	39	74	65

Personal calculations

Source: Press, Magazines, Tourist guides

Each agency tried to differentiate, specialize and advertise, in order to become more competitive. New marketing techniques, like leaflets with special logos, advertisements in the press, public relations, were introduced or expanded. Old techniques like publication of letters of pleased customers were repeated, in some cases, when they addressed to the Greek public (emigration or leisure trips). Every power was recruited to help firms to recover. Those procedures were consolidated and even expanded the years that followed the crisis, since new opportunities arose soon. New services, like car rental and hotel finding were

¹⁴ In 1930, despite the crisis, the first Greek magazine oriented to tourism, circulated, namely «Touristiki Hellas». It was a sign that tourism was gathering momentum in Greece, and tourist enterprises had increased fair enough, while constituted a clientele for the magazine, which started being advertised in its pages.

offered. Some tried to orientate to emigration (and mostly to Greeks who travelled to the USA to visit their relatives), by advertising special departments. Also, a shift to outgoing tourism occurred, as the Greek bourgeoisie had begun to travel for tourism. That was a challenge for Greek agencies who tried to cultivate the trend. Packages were now offered to Greeks. Crisis had influenced new strategies, activities and new orientations, in short term and also in the longer term.

The Ghiolman Travel serves as an appropriate illustration for the observations preceded. The following table illustrates the structure and personnel of Ghiolman Travel agency. It was the oldest Greek agency (1902) and one of the biggest ones. In 1939 it employed 11 persons most of them hired a few years after the crisis. This observation supports the hypothesis that after the crisis entrepreneurs noticed that new opportunities were arising. It possibly means bigger volume of activities or new managerial tactics, like more specialization and division in various departments (railways, shipping, tourism (meaning groups)). An interesting observation is that in 1931, a collector was added to the workforce probably because people had difficulties to pay their debts. In 1935 a general manager was hired, showing a shift towards a modern management pattern, and perhaps an attempt, to split family ownership from management.

Table 4: Ghiolman Tourism Agency, 1939

A/A	Name	Year of employment	Department	Montly Salary (Drachma)
1	Διον. Βλάχος	1907	Railways	6065
2	Οδ. Γεωργιάδης	1935	Tourism & General Manager	5800
3	Δις Θάλεια Τάγκα	1927	Tourism	5500
4	Μάρκος Καραμπέτης	1924	Shipping	4800
5	Πέτρος Διαμαντίδης	1931	Collector	3100
6	Δις Αλεξ. Ουραήλογλου	1936	Cashier	2500

7	Ανδ. Κατσαράκης	1935	Accountant	2400
8	Νικ. Πατσάλακης	1936	Railways (assistant)	2000
9	Γεωρ. Μιράμπετας	1937	Collector	1100
10	Δημ. Παπαμήτρος	1937	Legal Advisor	1000
11	Ζαμπ. Τομαή	1935	Cleaning	400
	Σύνολο			35050

Factors of success of this firm were: for one reason, it was a business of tradition with long experience in tourism. It was actually a rather small-family business, flexible and capable of responding quickly to changes, operating with low costs and small profit margins when necessary¹⁵. The family had invested in real estate where they established the business, which had access to family resources, but also had built good relations with the banks. Generally it followed an efficient management policy which did not target primarily to quick profits but market control as a way to survive. Manpower was chosen carefully. The two most important employees were paid with bonuses depending on the sales volume the agency achieved. Those practices possibly came as ideas, under the difficult period.

The management control lay in the hands of the two brothers that were running the business since 1902 and had good reasons to care for the company's survival. It was, after all a profitable business that had resisted difficulties, and had survived the World War and the depression. Later it also survived the Second World War, under the second generation which had taken control since 1936. In the seventies the firm was already under the management of the third generation of the family. Because of the hard competition and the difficulties that followed the oil crises, it differentiated its scope towards marine tourism.

15 For more information about the theory of family firms and the relevance for Greek family firms, see *Family Firms in Greek Industry during the Twentieth Century*, in Dritsas Margarita & Gourvish T. (eds), *European Enterprise, Strategies of Adaptation and Renewal in the Twentieth Century*, Trochalia Publications, Athens, 1997

The first country that was hit from the 1973 crisis was the USA. Therefore, the greatest losses in Greek tourism came from the American market. From 615.606 arrivals in 1973, there were only 371.795 in 1974. Total arrivals reduced from 2.846.549 to 1.956.414 tourists¹⁶. A similar trend occurred in 1979, as illustrated in the following table (5). Total losses were not that important in this case, because of the continuing increase of arrivals from the European market (a reason being the incorporation of Greece to the European Union). In 1986 arrivals from Europe reached the number of 4.448.827, while only 204.667 American tourists visited Greece¹⁷.

Table 5: Tourist arrivals, 1977-1983

	1977	1978	1979	1980	1981	1982	1983
Total arrivals	4.597.354	5.081.033	5.798.360	5.271.115	5.577.109	5.463.860	5.258.372
Europe	2.876.637	3.367.239	3.753.184	3.834.289	4.139.498	4.115.356	3.733.939
Americas	685.555	634.078	764.195	410.676	436.907	438.432	517.473

Source: Greek Statistic Bulletin, 1984

Greek travel agencies faced economic problems, soon after 1973. Currencies were fluctuating and Drachma which was still connected to the dollar, was devaluated, thus, agencies' profits immediately decreased. The following years the Greek government took measures against exchange export. Travel agents had been accused by the press that kept currency abroad for speculation while foreign tour operators tried to benefit from value increases of other currencies and started paying their Greek partners in Drachma¹⁸.

¹⁶ Source: Greek Statistic Bulletin, 1975

¹⁷ Source: Greek Statistic Bulletin, 1992

¹⁸ "Τουρισμός και Οικονομία" Magazine, No 17, 1976

It seems that in the seventies (while competition increased and oil crises had created economic difficulties), foreign tour operators were cutting down their costs, by introducing new tactics. Signs of vertical integration were obvious. They began sending their own employees in Greece, to investigate the market and its possibilities and make direct agreements with other tourism sectors. Also, the so called «Tour Leaders», arrived in the Greek market, a profession oriented towards escorting and guiding tourists, at the beginning. The exercise of guiding was prohibited by the Greek state and thus, Greek guides protested. Soon their action and presence was legitimized when the first foreign branches were established in Greece (their presence was somehow justified).

The same period, Greek businessmen tried to cooperate more with each other. From 1976 onwards yearly meetings with other sectors, private or public, were established. One of the main problems discussed was the new deals with foreign tour operators, made in Drachma. According to the agents, agreements should be made in foreign currency and not in Drachma, so that “foreigners would not benefit from Drachma’s devaluations”. The 1973 crisis and the following competition had given, once more, motive for negotiations, new agreements, and generally a cooperative spirit among Greek businessmen. At the same time the agents proposed advertising of new tourism areas, like incentive and conference tourism, yachting etc. They also introduced differentiated products and marketing practices, similar to those implemented in the thirties.

During the seventies and eighties subsidies for construction in the hospitality sector, were provided lavishly. The governments followed the trend indicated by the private sector, since foreign and local investors were interested in the Greek tourism market. After 1981 investments increased considerably and mass tourism era began in Greece.

Competition in the global travel business was strong than ever in the late seventies, a benchmark being the liberalization of USA air transport (1978). It urged strategies and tactics that changed the world scene: Mergers of travel and air companies, vertical integration through establishment of hotels, charter companies etc. The same period the world ticket system changed, by the introduction of advanced computerized systems. The relevance between –mainly- the first oil

crisis and its effects with the creation of new technologies and expansion opportunities, as well as the appliance of new organizational structures in the world scene is an interesting subject, which needs to be examined further.

Conclusions

After the 1929-1932 crisis there was certainly a favouring trend for tourism as depicted in the numbers (until 1934), and confirmed by the firms' practices. The private sector tried to exploit the new opportunities by employing modern management and marketing methods. The firms reoriented their activities and business structures. Also, they focused on solidarity and they began to work in groups by forming consortia offering competitive alternative services. On the other hand, the political instability of the thirties reversed the systematic efforts for tourism development that had begun in the twenties. After 1934 arrivals did not continue increasing, on the contrary they decreased at first and then remained stable until 1938. The image of the country was heart on the one hand, and tourism policies were disorganised on the other. The country in the end, did not exploit enough the opportunities arising by the positive trends and the dynamism that followed the bankruptcy and the emergent economic-monetary policies. Soon the Second World War came, a civil war followed and the country was totally ruined. After 1950 the governments had to begin from a zero basis. The rejuvenated NTO played an important role in the regeneration procedure, as well as the tourism agencies that had managed to survive the War. Their reoperation with the use of international cooperations was catalytic to the restitution of tourism.

The seventies experience had many common characteristics, in terms of the effects of the crisis and the hard competition that followed, and also in terms of the efforts made by the agencies to surpass the problems. Agencies multiplied the following years and profits kept increasing. The interest of foreign tour operators (which might be connected with the implications of the oil crisis, since

they started cutting down their costs and thus searching for cheap destinations, like Greece, especially after the devaluations of Drachma and the new agreements based on it) for the Greek market, was expressed through increasing investment in hotels. Travel business, foreign and local, cooperated in searching and financing a) hoteliers which were interested in expanding their business, and b) new investors. The private sector's actions were the first stimulus for the big development that followed, in that sense. In the seventies case, state motives for further development were given to tourism through the hospitality industry, by the introduction of laws for investment. The public sector actually responded to the demand and contributed to the incorporation of the mass tourism model. Actually we might suggest that there was synergy between the public and the private sector. However, the big increase in tourist arrivals and investment had fallouts in sustainable development, an important subject studied by researchers through the last decades¹⁹.

The devaluation of the national currency had always positive effects in making the country's products competitive. For tourism, it meant increase in tourist arrivals, in every period it took place. In the 21st century crisis, however, such measures are unenforceable since the European Union and the common currency policy has removed authority of exerting monetary policies from local governments. There are other ways, though, to promote tourism development, through investment policy implementation and marketing strategies. The private sector is always awake since it functions with profit maximizing criteria. The survival of the firms will depend once more, on their own choices. The first, familiar reaction of compressing costs and prices of services is already occurring; the next years' outcomes will possibly confirm the recurrence of previous efficient business strategies. However, the government is entrusted once more with a difficult task, namely the implementation of efficient tourism policies and the

¹⁹ See Coccossis, H. and Parpairis, A., *Tourism and carrying capacity in coastal areas: Mykonos, Greece*. In: Priestley, G.K., Edwards, J.A. and Coccossis, H. (eds) *Sustainable Tourism? European Experiences*, pp.153-175. Oxon: CAB, 1996 and Andriotis, K., *Problems in Island Tourism Development: The Insular Greek Regions* In: Bramwell, B. (ed). *Coastal Mass Tourism. Diversification and Sustainable Development in Southern Europe*. Channel View Publications, 2003. Also Coccossis H., Tsartas P., *Βιώσιμη Τουριστική Ανάπτυξη και Περιβάλλον*, Κριτική, 2001.

“synchronization” with the private sector for tourism development. Still there is an underlying risk of political instability, threatening tourism once more.

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