

RESHAPING THE TOURISM GOVERNANCE SYSTEM: THE CASE OF CYPRUS

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ABSTRACT

Many inadequacies in tourism related matters lie in the heavily fragmented institutional system which prevails in the Island's tourism planning framework. Initially, this case study provides a concise analysis of the daedalus existing tourism system and the institutions and organizations behind it. It then goes on to empirically suggest an all-new framework of Governance for the Island's tourism sector.

Keywords: Cyprus, tourism governance.

INTRODUCTION

The Cyprus tourism system can be characterised as a complex amalgamation of an array of uneven chains of businesses operating within the context of a rigid and outdated legal and regulatory framework. At the same time, and within this context, Cyprus has to compete in the fierce global competition arena of tourism.

Albeit the good overall performance of the sector over the past 20 years or so, the sector has, in real terms, remained stagnant over these years. This stagnation can by no means be attributed to external factors; it lies in the deficiencies of the heavily fragmented and outdated tourism governance model which definitely has to change if one wants to see Cyprus take the rebound in the near future.

OVERVIEW OF THE ORGANIZATION AND PLANNING SYSTEM OF TOURISM IN CYPRUS

At present, the Cyprus Tourism Organisation (CTO) is the statutory semi- governmental body responsible for tourism, operating under the auspices of the Ministry of Energy, Commerce, Industry and Tourism (ECIT). According to the law (Law No. 54/1969), the primary role of the CTO revolves around the 'organisation and promotion of tourism in the Republic through the utilization of all available resources'. Based on this, the Organisation engages in tourism planning, research, policy formulation as well as the regulation, development, marketing and promotion of the tourist product and the destination at large. In addition to the CTO, tens of other bodies (mostly public ones) take independent decisions, which affect the tourism sector.

STRATEGIC PLANNING FOR TOURISM AND IMPLEMENTATION ISSUES

'The fragmented responsibility of the many different parts of the industry and the fact that the tourism industry represents a heterogeneous, fractional and highly individualistic industry of many agencies' (Yiangoullis *et al*, 2004:49), have brought about a mild 'anarchy' in the development of tourism on the

island. Up until 1990 there were virtually no policies and plans channelling tourism development, with local authorities facing development control in a casual manner. Even in the early years of the Republic, a number of studies [ANFA Consultants (1970); Simonsen, *et al* (1982)] were carried out to aid the tourism industry to develop. Despite some good ideas that emanate from these studies/plans, these were never approved officially. This can be attributed to the fact that the CTO at the time had a so-called 'pragmatic-way' approach aiming at 'removing all obstacles in the path of tourism development without asking where the path leads' (Young, 1973). With tourism in Cyprus faced in economic terms alone in an effort to capitalise on the expected gains, coupled with the surpassing of the expectations in actual tourist arrival figures (as these were projected in the various plans) tourism development was seen as a purely money generating industry and a sign towards prosperity.

From 2000 to-date, two strategic plans have been drawn to lead the sector in the years to come. The first one covered the period 2000-2010, but for political reasons, this was relaunched in 2013. Perhaps the most notable attempt was the 2011-2015 strategic plan, which was comprehensive, in-depth and tangible; and has to a large extent, materialised. Unfortunately, from 2016 onwards, no strategic plan is in place, but one is currently being drawn on paper. What is currently in place is a 2-year (2016-2017) operational plan.

RECOMMENDATIONS FOR THE TRANSFORMATION OF THE EXISTING GOVERNANCE SYSTEM

Perhaps the biggest problem one has to address is the fact that the aforementioned plans are dubbed as national plans, however these are merely CTO plans, since they have no power whatsoever to enforce actions at a horizontal level. Furthermore, these plans do not really approach the sector from its business perspective; they bear neither any real-life targets nor any Key Performance Indicators. In essence, these plans outline the operational plans that the CTO wants to pursue, with a mere expectations that all parties involved will follow them.

What is enacted from this case-study is the need for a much leaner, National Head of Tourism Body (perhaps a dedicated Ministry or a Deputy Ministry of Tourism), with clear horizontal and vertical lines of authority to work across and with ministries and other decision making authorities in a combined effort to lead the sector to further development and growth, under a National-led Strategy which will entail attainable, measurable, timely and specific actions. Other small Island destinations could in fact capitalise on the findings of this case and especially from the extensive 'Dos and Dont's' list which is presented at the conference, to consider revising their approach towards planning and managing the product and the promotion of their destination.

Such reforms should see activities of the CTO such as the licencing of tourism establishments, quality assurance, product development etc being moved to the existing Ministry of ECIT; whilst the Marketing and Promotion of the Destination being handled under a business concept, by a newly developed body (perhaps named, 'Visit Cyprus') along the lines of the Scottish Tourism Alliance, Visit Philadelphia, Visit Britain *et al.*, which will report directly to the new National Head of Tourism. This body will be directed by a small but highly skilled team of marketers, engaging primarily in marketing research activities, destination branding as well as in designing and executing marketing campaigns. This body, uncumbered by public sector procedures and requirements should be granted flexibility in decision making so as to capitalise on opportunities, which emerge from time to time.

References available upon request from the author.