The Role of Coastal Tourism in Turkish Tourism Development- A Historical Perspective

By Turgut Var

Abstract: This paper deals with historical development of Turkish Tourism between 1922- 2005. It also traces the role of coastal tourism during this development process. Turkey has over 8300 kilometers of coastline and the early tourism planning stressed this fact in encouraging touristic investments. Today almost sixty percent of tourist visitations are made to coastal areas which are also endowed with beautiful scenery, rich history, and culture.

Key words: Coastal tourism, tourism development, tourism history, Turkey

Introduction:

After lengthy wars between 1911 and 1922 Turkey became a republic in 1923. However, in the economic front she was constrained by peace treaty nearly seven more years to control its own economic policy. Unfortunately the Great Depression of 1929 affected Turkey at the time she needed new investments in manufacturing, infrastructure, modernization of agriculture and educational facilities. Since most of the sectors were controlled by foreigners Turkey was limited to take minor
economic actions during the early years of 1920’s. In 1930 and following 10 years Turkey adopted a policy to nationalize basic services like railroads, postal service, telephone, insurance and banking in order to create a national base for future economic development. This policy strengthened the Turkish economy, curtailed outflow of capital and improved the balance of payments. During these years the state felt the necessity to assume the role of national planning and prepared two five-year plans. And according these plans established several sugar factories, cement factories, iron and steel mills, and textile factories, mining facilities and expanded the existing network of railroads and harbors.

**Tourism Development:**

Turkey has always been perceived as an exotic destination. Establishment of Wagon-Lits Orient was brought the heart of Europe to Istanbul, to melting pot of many cultures. Authors like Agatha Christie and Pierre Loti added more mystery and curiosity about Istanbul and Turkey. However the numbers were very limited and covered only the people that could afford the Orient Express.

Development of Turkish tourism can not be separated from the general economic development of the country under various government policies. These policies can be grouped in five important time periods.

1. Strong nationalistic policy (1924-1950)
5. Emphasis on private sector and liberal economic policy (1990-present).

The period between 1924 and 1950 emphasized infrastructure development and remedying the impact of Second World War and the great earthquake of Erzincan which killed several thousands of people. Following the elections of 1950 democracy became the buzzword and people started to talk about liberalizm. The main objective of the Democratic Party was to transfer economic power to private industry and to attract foreign capital for pump-priming of the new industries. During this period, although minor in today’s standards, construction of seaside houses in Cesme and the entry of Hilton of Istanbul into Turkish tourism were considered important steps. The highway to Kusadasi and other coastal areas were planned and completed. In addition to highways, emphasis was placed on airline and maritime transportation, communication, and agricultural production. Highway transportation made travel very economical and time saving for most of the people. The bus companies were to flourish first followed by tour operators and other organizations that would bring the travel to sun and sand along the long coasts of Turkish peninsula. In order to attract the foreign capital a new legislation was accepted. Encouragement of Foreign Investment law brought important changes in Turkish economic life. This law made all the private sectors of Turkish economy open to foreign capital, and foreign investors were no more required to have Turkish partners, and finally
transfer of funds was made easier. As a result of this legislation petroleum, pharmaceuticals, auto tires, fertilizers, food processing and similar industries attracted considerable foreign capital. Since tourism required extensive infrastructure development, it had to wait more years until a sizeable investment could be made. According to the statistics 1950-1960 period yielded 12% increase in the number of tourists. In 1961 Turkey's total capacity was 15,685 and 258 hotels that could barely satisfy the needs of foreign tourists. During the same year 129 thousand tourist visited Turkey and spent 7.5 million dollars.

The Planned Economy period of 1960-1980 came with a military coup and brought in several changes in the administrative structure of economic policy formulation. On May 27, 1960 Turkish Economy was in a terrible foreign exchange bottleneck with a very high inflation. The first activity of the new rulers was to formulate a new constitution and enact new laws that would decrease unemployment, reduce inflation, provide a better distribution of income, decrease trade deficits and transfer several money losing and outdated state enterprises to private enterprises in order to balance the budget. In order to achieve these difficult objectives State Planning Organization was created. The SPO or better known as DPT was charged to come up 15-year economic plans containing three five-year periods. The first five-year plan was 472 pages long with considerable detail for several sectors. However, only four pages were allocated to tourism development. There were important activities that followed the initial recognition of tourism as a sector. The Ministry of
Tourism was created in 1965 and tourism revenues increase from 7.7 million dollars to 193.7 million in 1974, an important achievement that surprised the planners. First time the number of tourists reached to one million mark and the balance of tourism account gave a surplus.

From 1974 until 1980 another petroleum crisis affected Turkish economy negatively and spearheaded other problems like high unemployment, high inflation, budgetary imbalance, slow economic growth, and finally another foreign exchange crisis. 1980 was another military intervention and movement towards more liberal policies. The years following 1980 intervention many important legislation for a more liberal economy were enacted. Among these Tourism Encouragement Law of 1982, Environmental Protection Law 1983, National Parks Law can be cited. The most important change was the initiatives for private sectors.

This especially contained:

a. Free land for 49-year lease,

b. Credit up to 60 percent through Tourism Bank,

c. Long term credit through Tourism Encouragement Fund (low interest rates)

d. Setting up and operating casinos,

e. Permission to serve alcoholic beverages,

f. Special utility rates for hotels,

g. Employment of foreign nationalities in tourism sector.
These initiatives created a tremendous demand from domestic and foreign tourism investors in coastal areas. First Kusadasi, then Bodrum and Marmaris began to grow on a scale never seen before. In order to regulate this inflow of investment an integrated plan for Antalya Region was prepared and a more rational tourism development policy followed. In 1987 tourism revenues passed 3.3 billion dollars mark.

The Gulf War of 1991 affected Turkey negatively and she had to wait four more years until to get over the impacts of the war. Finally, in 1995 total bed capacity reached to 276,000 showing considerable interest in tourism. Most of the investments were spread all over the coastal areas due to Tourism Encouragement Law provision. This development was also supported by development in other industries like auto manufacturing and textiles exports.

In conclusion, Turkish tourism started in coastal areas and reached to its present level of 20 million visitors and 15 billion dollars revenues. This development triggered by coastal tourism has also brought in some problems with it. These include environmental degradation, pollution, ribbon development, sustainability of certain destinations, impact of seasonality, and susceptibility to unforeseen crises. It seems that a better planning considering competitiveness would contribute a great deal for further development.