

EVALUATION OF EFFECTS OF THERMAL TOURISM  
ON LOCAL ECONOMY:  
THE CASE OF THERMAL DISTRICT OF YALOVA

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ON LOCAL ECONOMY:  
THE CASE OF THERMAL DISTRICT OF YALOVA**

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## **ABSTRACT**

### **EVALUATION OF EFFECTS OF THERMAL TOURISM ON LOCAL ECONOMY: THE CASE OF THERMAL DISTRICT OF YALOVA**

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Tourism and local economic development are closely linked. Tourism can have a constructive effect on local economy and may help balance some of the inequalities between different parts of a country. Thus, in many regions in the world, the tourism sector is accepted as one of the greatest sources of economic growth and job creation. In line with economic contribution of the sector, tourism policy has become an instrument for territorial development and for enhancing an area's opportunities.

It appears that tourism in Turkey, which is a tourism country, developed rapidly especially after the 1980s and gained important competitive advantage in international tourism market by using her mass tourism (sea, sand, sun) potential well. In addition to mass tourism, Turkey also has a significant potential for alternative tourism in different regions. Although Turkey takes important tourism share in the world, in terms of tourism revenues and arrivals, it is not sufficient considering the potential. It is obvious that alternative tourism potential is not fully explored due to some obstacle faced in the tourism sector. Insufficient commercialization of natural resources such as geothermal, lack of adequate infrastructure for diversification and geographical expansion, lack of effective promotion and marketing activities are some of these obstacles. Particularly, having rich geothermal resources, thermal tourism has come to the fore as a type of alternative tourism in Turkey. Thermal tourism is a significant tourism type, which

helps to improve people's health condition by providing a complementary therapy and also allows many recreational activities for the visitors.

The aim of this thesis is to point out the crucial position of geothermal resources in the context of thermal tourism for their contribution to local economic development. In this context, the first chapter introduces the main aim and the research questions of the thesis and second chapter mentions the importance of tourism for local economic development. The third chapter explains importance of thermal tourism, which is given priority in the diversification of alternative tourism policy in Turkey, is discussed. Within this context, the thermal tourism policies determined by the 2023 Turkey Tourism Strategy and Thermal Tourism Master Plan are investigated as the main local economic development tool of regions, which are all rich in geothermal resources. In the fourth chapter, the direct and indirect economic effects of tourism considering the multiplier effect of tourist spending. The methodology selected for the case study, is mentioned in the fifth chapter. Finally, as a case study Thermal District of Yalova will be analyzed in terms of employment data as well as investments in these regions in detail in order to understand the economic importance of thermal tourism at local and regional levels in the context of Thermal Tourism Master Plan.

*Key Words: Thermal Tourism, Tourism Diversification, Turkey Tourism Strategy, Local Economy.*

## ÖZ

### **TERMAL TURİZMİN YEREL EKONOMİYE KATKISININ DEĞERLENDİRİLMESİ: YALOVA TERMAL İLÇESİ ÖRNEĞİ**

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Turizm, ekonomi üzerinde sahip olduğu yapıcı etkisi ile bölgeler arasındaki eşitsizlikleri dengelemede önemli yardımcı bir araç olması nedeniyle yerel ekonomik kalkınma ile yakından ilişkilidir. Bu nedenle dünyanın bir çok bölgesinde turizm sektörü en önemli büyüme ve istihdam kaynaklarından birisi olarak kabul edilir. Sektörün ekonomiye katkısı göz önünde bulundurulduğunda, turizm politikaları bölgesel kalkınmanın en önemli aracı haline gelmiştir.

Bir turizm ülkesi olan Türkiye’de kitle turizmi potansiyelinin iyi kullanılması ile turizmin özellikle 1980’lerden sonra hızla geliştiği ve uluslararası pazarda önemli bir rekabet avantajı kazanıldığı görülmektedir. Türkiye kitle turizmine ilave olarak farklı bölgelerinde önemli alternatif turizm türlerine de sahiptir. Türkiye turizm gelirleri ve sayıları açısından dünya turizminden önemli bir pay alsa da varolan potansiyeli dikkate alındığında bu pay yeterli değildir. Alternatif turizm türlerinin, yetersiz altyapı ve tanıtım eksikliği nedeniyle jeotermal kaynaklar başta olmak üzere doğal kaynaklarımızın yeterince ticarileştirilememesi gibi karşılaşılan bazı engellerden dolayı yeterince keşfedilemediği açıktır. Türkiye’de özellikle zengin jeotermal kaynaklara sahip olunması Termal turizm türünün ön plana çıkmasını sağlamaktadır. Termal turizm, tamamlayıcı tedavi sağlayan ve aynı zamanda ziyaretçiler için birçok

eğlence faaliyetleri sunan, insanların sađlık durumunu iyileřtirmek iin yardımcı olan nemli bir alternatif turizm trdr.

Termal turizmin yerel ekonomiye katkısının ortaya konulması bu tezin amacıdır. Bu bağlamda tezin birinci bölümde bu tezin amacı ve araştırma soruları tanıtılarak, ikinci bölümde turizmin nemi ve yerel ekonomik kalkınmaya katkıları açıklanmıştır. Tezin nc bölümnde, Termal turizmin nemi vurgulanarak Trkiye’de en nemli alternative turizm potansiyeli olarak ortaya ıkan Termal turizmin yerel ekonomik kalkınma aracı olarak, 2023 Trkiye Turizm Stratejisi ve Termal Turizm Master Planı ile belirlenen Termal turizm politikaları incelenmiştir. Drdnc bölümde ise turizmin arpan etkisinin hesaplanma yntemleri ile dođrudan ve dolaylı etkileri açıklanmıştır. Beřinci bölümde ise rnek alanda yapılan araştırma ve analiz alıřmalarının metodu açıklanmıştır. Son olarak altıncı bölümde, rnek alan olarak belirlenen Yalova Termal İlesinde, Termal turizmin yerel ekonomiye katkısının deđerlendirilebilmesi iin tesis bilgileri, istihdam ve turizmden dolaylı etkilen sektrler ile turizm planlama alıřmalarının ileye etkileri analiz edilmiştir.

*Anahtar Kelime: Termal Turizm, Turizin eřitlendirilmesi, Trkiye Turizm Stratejisi, Yerel Ekonomik Kalkınma.*

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## TABLE OF CONTENTS

ABSTRACT .....	iv
ÖZ .....	vi
ACKNOWLEDGMENTS .....	viii
TABLE OF CONTENTS .....	ix
LIST OF TABLES .....	xii
TABLES.....	xii
LIST OF FIGURES .....	xiii
CHAPTERS	
1.INTRODUCTION .....	1
2.IMPORTANCE OF TOURISM FOR ECONOMIC DEVELOPMENT .....	5
2.1. Tourism for Economic Development.....	5
2.2. Local Economic Development (LED) .....	7
2.3. Tourism and LED.....	9
2.4. Land Use Planning and LED.....	11
3.THE ECONOMIC IMPACT OF TOURISM .....	13
3.1. The Economic Impact of Tourism .....	14
3.2. Direct, Indirect and Induced Multiplier Effects .....	17
3.3. Measuring Economic Impacts.....	19
3.4. The Relation between Tourism and Employment.....	23
4.TOURISM DEVELOPMENT POLICIES AFTER THE 2000s.....	26
4.1. Impact of Tourism on Turkish Economy .....	26
4.2. Development of Tourism in Turkey.....	29
4.3. Tourism Strategy of Turkey .....	33
4.4. Diversification of Alternative Tourism in Turkey .....	34
4.5. Thermal Tourism as an Alternative Tourism Type.....	36
4.5.1. Conceptualizing Thermal Tourism .....	36
4.5.2. General Evaluation of Foreign Thermal Resorts .....	42

4.5.3. Potential and Utilization of Geothermal Resources in Turkey .....	44
4.5.4. Thermal Tourism Potential of Turkey .....	45
4.6. Thermal Tourism Master Plan .....	50
5.METHODOLOGY .....	61
5.1. Reasons to Choose Termal District as the Case Area .....	61
5.2. Hypothesis.....	62
6.EVALUATION OF EFFECTS OF THERMAL TOURISM ON LOCAL ECONOMY:THE CASE OF TERMAL DISTRICT OF YALOVA.....	67
6.1. Local Characteristics and Potentials of Termal District .....	68
6.1.1.Geographical Position .....	68
6.1.2.Population .....	70
6.1.3.Historical Background .....	70
6.1.4.The Feature of Treatment of the Hot Springs in Termal District.....	73
6.1.5.Economic Profile and Development Background.....	74
6.1.6.Development History of Thermal Tourism in Termal District .....	78
6.1.7.Evaluation of the Study Area in the Context of Thermal Tourism .....	83
6.1.7.1. Strengths of Hot Springs of Termal District .....	86
6.1.7.2. Weaknesses of Hot Spring of Termal District .....	87
6.2.Evaluation of Thermal Tourism Effects on Termal District Economy.....	87
6.3.Testing Hypotheses .....	88
6.3.1. The Direct Economic Effects of Thermal Tourism on Termal District .	90
6.3.2. The Indirect Economic Effects of Thermal Tourism on Termal District	92
6.3.3.1. The Revenue of Municipality.....	93
6.3.4. Indirect Sectors of Termal District.....	94
6.5. General Findings .....	96
6.5.1. Organization and Local Economy in tersm of Thermal Tourism .....	97
6.5.2. Employment Issues .....	98
6.5.3. Opportunities of Local Business .....	99
7.CONCLUSION .....	100
REFERENCES.....	105

APPENDICES .....	111
A: A Sample of Questionnaire .....	111
B: Table: Bed Capacity, Employment, Avg. Stay and Avg. Spending.....	112

## LIST OF TABLES

### TABLES

Table 3.1: Multiplier Effect: How tourism spendings flows into the economy? .....	16
Table 3.2: Tourism Income Multipliers .....	19
Table 4.1: The Compensation Rate of the Tourism Revenues to the Foreign Trade	27
Table 4.4: The First Five Provinces With The Most Beds.....	47
Table 4.5: Tourism Licensed Thermal Accommodations and Facilities (2012).....	48
Table 4.7: Thermal Culture and Tourism Protection and Development Regions.....	55
Table 4.8: Thermal Tourism Bed Capacity of Turkey .....	56
Table 4.9: Arrivals to Thermal Hotels (2010).....	58
Table 4.10: Average Length of Stay (2010) .....	59
Table 6.1: Cities, Towns and Villages of Termal District .....	70
Table 6.2: Distribution of Employment .....	75
Table 6.3: Tourism Accommodations and Bed Capacities (2012) .....	77
Table 6.4: Changes of Bed Capacity and Employment in Time.....	78
Table 6.5: Avg. length of stay of visitors at new accommodations in Termal .....	89
Table 6.6: Tourist Arrivals, 2012.....	90
Table 6.7: Businesses and number of services (2006-2012).....	95
Table 7.1: Sub-Sectoral Distribution of Incentive Certificates .....	101
Table 7.2: Investment Costs of Tourist Accommodation Establishments .....	101
Table 7.3: Economic Importance of Thermal Tourism in Termal District. ....	103

## LIST OF FIGURES

### FIGURES

Figure 2.1: International Tourist Arrivals .....	6
Figure 3.1: How multiplier is derived ? .....	21
Figure 3.2: The Multiplier Effect .....	22
Figure 4.1: Tourism Strategy of Turkey Conceptual Action Plan .....	34
Figure 4.2: A sample of Thermal Treatment Facility .....	39
Figure 4.3: Influences in market development of “New Health Tourism“ .....	41
Figure 4.4: Thermal Water in Europe .....	43
Figure 4.7: Turkey Geothermal Resources .....	44
Figure 4.8: Thermal Tourism Counties in Turkey .....	45
Figure 4.9: Defined Regions with the Thermal Tourism Master Plan .....	51
Figure 4.10: South Marmara Thermal Master Plan .....	52
Figure 4.11: South Aegean Thermal Tourism Master Plan .....	52
Figure 4.12: Phrygian Thermal Tourism Master Plan .....	53
Figure 4.13: Central Anatolia Thermal Tourism Master Plan .....	53
Figure 4.14: Thermal Culture and Tourism Protection and Development Regions ..	54
Figure 5: Research Process .....	64
Figure 6.1: Location of Termal District in its Region and Turkey. ....	68
Figure 6.2: Core of Termal District.....	69
Figure 6.3: Historical Development of Thermal Spa Area .....	71
Figure 6.4: Aerial view of Hot Spring Zone .....	72
Figure 6.5: Protection Zones of Gökçe Dam .....	76
Figure 6.6: Boundaries of Termal Tourism Center .....	79
Figure 6.7: The implementation plan of Termal Water City .....	80
Figure 6.8: Interactions with the surroundings of the center. ....	81
Figure 6.9: The expanded boundaries of Termal Tourism Center .....	82
Figure 6.10: Tourism Development Plan for 2023 .....	83
Figure 6.11: Modern and qualified thermal facility .....	84
Figure 6.12: Number of Bed Capacity .....	89

Figure 6.13: Number of Visitors .....	90
Figure 6.14: Average number of employees of the spa .....	91
Figure 6.15: Proportion of Employees by Locations .....	92
Figure 6.16: Local authority revenue .....	93

## **LIST OF ABBREVIATIONS**

**CTPDR:** Culture and Tourism Conservation and Development Regions

**ESPA:** European Spa Association

**FITEC:** International Thermalism and Climatism Federation

**GDP:** Gross Domestic Product

**ILO:** International Labor Organization

**LED:** Local Economic Development

**MoCT:** Turkey Ministry of Culture and Tourism

**MOIT:** Turkey Ministry of Industry and Trade

**MTA:** Turkey General Directorate of Mineral Research And Exploration

**OECD:** Organization for Economic Co-operation and Development

**TC:** Tourism Center

**TJD:** Turkey Geothermal Association

**TUIK:** Turkish Statistical Institute

**TURSAB:** Association of Turkish Travel Agencies

**UN:** United Nation

**UNEP:** United Nation Environmental Program

**UNESCAP:** United Nations Economic and Social Commission for Asia and the Pacific

**UNWTO:** United Nation World Tourism Organization

**USAID:** United States Agency for International Development

**WB:** World Bank

**WTTC:** World Tourism and Travel Commission

## **CHAPTER 1**

### **INTRODUCTION**

Tourism, which is one of the world's largest industries in terms of earnings and jobs, generates nearly 980 million international travellers per year. According to forecasts of UNWTO, that is expected to be 1.6 billion by 2020.

In the WTTC's statistics, considering of tourism's direct, indirect and induced impacts, Travel & Tourism's total contribution in 2011 was US\$ 6.3 trillion in GDP, 255 million jobs, US\$743 billion in investment and US\$1.2 trillion in exports. This contribution represented 9 % of GDP, 1 in 12 jobs, 5% of investment and 5% of exports (WTTC, 2012a).

Tourism is an important economic sector because of certain characteristics. Khanya&Roe (2011), mention such characteristics. Firstly, compared to other sectors tourism is a diverse industry, especially women get benefit a higher ratio. Following, this promotes the scope for wide contribution, including the participation of the informal sector. Finally, tourism has more employment possibility than manufacturing. To sum up, it is an indisputable fact that tourism is an important sector for economic development: it is a rapidly developing and labor-intensive industry that incorporates many economic activities. In this respect, tourism is introduced as an efficient tool to provide employment for undeveloped areas (Smith, 1995).

Thanks to such characteristics, tourism can encompass general economic growth by creating a new dynamic on the local economy under particular conditions. For example, it can provide to get better land use planning for undeveloped countries where receives more visitors.



Moreover, improved infrastructure, public facilities and increased tax revenues are other potential benefits of tourism. In addition to capital, foreign investors can provide technical and managerial expertise, access to markets, and higher quality and security standards, as well as an improved image for the destination.

On the other hand, tourism development may raise the awareness of the natural and cultural heritage and contribute to more resources being allocated to the protection and conservation of that heritage (UNESCAP, 2001). Thus, considering social and economic impact of tourism, sustainability should be a main objective of tourism development (UN, 2010).

For most of developing country, however, evaluation of tourism's contribution to development has elicited much critical commentary:

“The tourism industry makes important contributions to the economies of developing countries, although the economic significance of tourism varies greatly from country to country. At the same time, tourism has emerged as a major factor for regional economic development. However, tourism data does not provide the full picture of its economic significance. Statistics cover the contribution of international tourism to national GDP. They hide the significance of domestic tourism (and may under-estimate regional tourists travelling by land), and the importance of tourism to a local economy. (Khanya& Roe,2011:2)”

In the context of Turkey, tourism has been highly beneficial to certain types of regions. These regions are mainly coastal (such as Alanya, Belek and Kemer in Antalya and Bodrum, Marmaris in Muğla), mountainous (Uludağ in Bursa, Plandöken in Erzurum), urban and historic (İstanbul, Cappadocia in Nevşehir) or regions with exceptional natural resources such as jeothermal (Afyonkarahisar, Termal District and Armutlu in Yalova; Akköy, Sarayköy and Pamukkale in Denizli); but regions with different profiles can also benefit from the growth of tourism.

In all these regions, appropriate tourism strategies must be implemented by public and private decision-makers in order to maximize the benefits that the local economy can derive from tourism and to minimize negative spillovers, in particular for the environment. These strategies can also contribute to broader goals, such as spreading activities more evenly over time and space and coordinating policies in an inter sectorial perspective.

Thus, the aim of this thesis is to discuss about economic importance of thermal tourism at local and regional levels in the context of Thermal Tourism Master Plan.

In order to promote tourism development, diversification of mass tourism raised as a crucial aim for countries only focusing on coastal mass tourism. Turkey, which is popular with coastal mass tourism, has a significant tourism share in the world. However, alternative tourism potential of Turkey is overlooked through long ages. Thermal tourism is one of these potential in Turkey.

The aim of the study is to investigate the potential of contribution of the thermal tourism sector for local economic development. In particular, the study aims to: 1) explore the importance of the thermal tourism sector and 2) investigate the impact of thermal tourism sector on small scale settlements. The analysis aims to evaluate how thermal tourism's effects on local economy. To do that, Termal District of Yalova will be analyzed in terms of employment data as well as investments in this district in detail.

Yalova Termal District has become a well-known domestic tourism center in 2000s, especially through the leadership of municipality, by tourism development initiations such as the conservation and renovation of the historical and cultural assets emphasizing the authentic identity of the city. The tourism development in Yalova Termal District has also vitalized the local economy. In this thesis, the effects of the tourism development on the local economy are evaluated through the statistical data, in-depth survey with local institutions and hotel surveys.

As a result, research questions are defined in terms of local economic development, concepts of thermal tourism, land use planning and employment. The main research question of this study is:

*What is the importance and role of thermal tourism in the economy of less developed localities and regions in Turkey?*

The main research question is handled with further sub research questions in this study.

- *Why thermal tourism is important in development of less developed localities and regions?*
- *What is role of tourism in economy of Termal District of Yalova in terms of tourism infrastructure (number of facility, bed capacity), tourist arrivals, employment, spillover effect of investments, tourism revenue and tourism spending?*
- *What is the role of the central tourism administration in the development of tourism at local levels?*
- *Is it possible to take advantage of thermal tourism's growth potential to revitalize certain regions having not any alternative economic sector to create employment rather than tourism?*

## **CHAPTER 2**

### **IMPORTANCE OF TOURISM FOR ECONOMIC DEVELOPMENT**

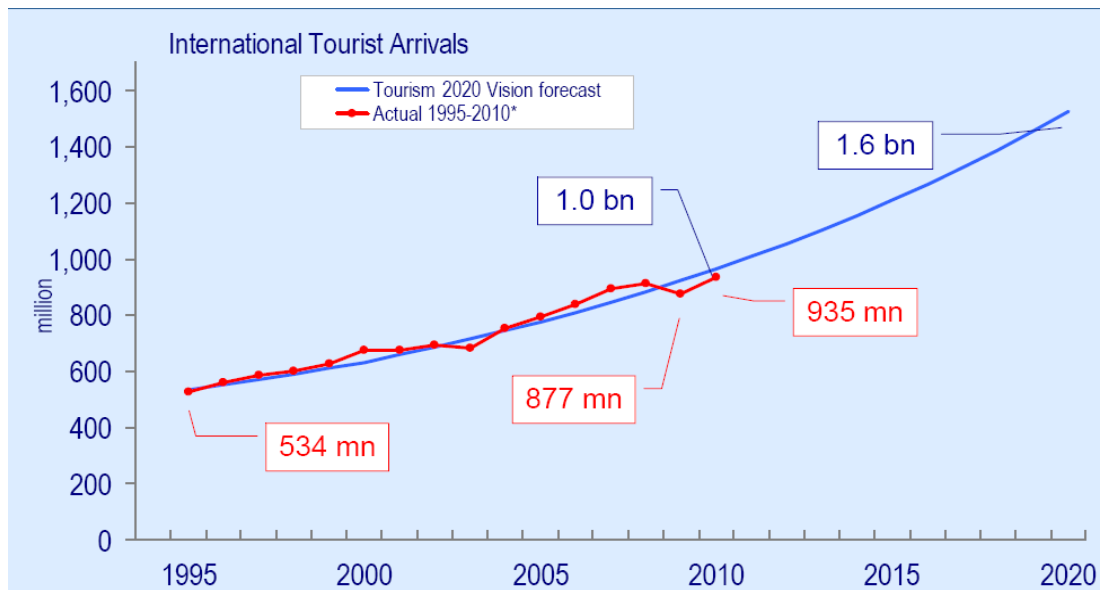
For many developing countries, tourism is one of the main income sources and ranked the one in export category, creating much needed employment and opportunities for development (UNWTO, 2010). Thus, this chapter will take a wider look at importance of tourism in terms of local economic development.

#### **2.1. Tourism for Economic Development**

Over the decades, tourism has experienced continued growth and deepened diversification to become one of the fastest growing economic sectors in the world. Thus, it is accepted as a key driver for economic progress.

According to UNWTO reports, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries. The contribution of tourism to worldwide economic activity is estimated as some 5%. Tourism's contribution to employment tends to be slightly higher relatively and is estimated in the order of 6-7% of the overall number of direct and indirect jobs worldwide (UNWTO, 2012).

World Tourism Organization (UNWTO), agency dealing with questions relating to tourism, published “Tourism Vision 2020” as the long-term forecast and assessment of the development of tourism. According to the report, worldwide tourist arrivals are forecasted to reach nearly 1.6 billion annually by 2020 (Figure 2.1).



**Figure 2.1: International Tourist Arrivals** (Source: UNWTO, 2008)

Therefore it is very important for countries to organize their tourism policies accordingly. The development of appropriate complementary products will increase the attractiveness of the destination and increase tourist spending in the local economy. Local benefits, including poverty elimination, will be maximized where tourism develops strong linkages into the local economy.

According to UNWTO reports, there are several reasons that make tourism an especially suitable economic development sector for local:

Firstly, tourism is consumed at the point of production; the tourist goes to the destination and spends money there, opening an opportunity for local businesses of all sorts, and allowing local communities to benefit through the informal economy, by selling goods and services directly to visitors;

Secondly, tourism is a more diverse industry than many others. It has the potential to support other economic activities, part time jobs that can complement other livelihood options, and through creating income throughout a complex supply chain of goods and services. It creates opportunities for many small and micro entrepreneurs, either in the formal or informal economy.

Finally, the infrastructure required by tourism, such as transport and communications, water supply and sanitation, public security, and health services, can also benefit poor communities.

In addition, according to another study which the review of World Bank identifies three main pathways through which tourism affects poverty reduction:

*First, tourism's direct effects, the wages and earnings of those who participate directly in the sector as workers or entrepreneurs. International evidence shows that tourism is more labor-intensive than other nonagricultural sectors. It also uses a relatively high proportion of unskilled or semi-skilled labor. For these reasons, in some countries, tourism is an important source of employment for poor people. As agrarian systems decline, tourism may also offer rural dwellers an alternative to unemployment or migration to urban areas.*

*Secondly, indirect effects occur through the tourism value chain. Tourism draws on inputs from the food and beverage, construction, transportation, furniture, and many other sectors. Evidence suggests that in developing countries, this inter-sectorial impact adds an extra 60-70% on top of the direct effects of tourism.*

*Finally, tourism has a wide range of dynamic effects. Tourism development can affect the livelihood strategies of local households, the business climate for small enterprise development, patterns of growth of the local or national economy, and the infrastructure or natural resource base of the destination (Ashley & others, 2007).*

## **2.2. Local Economic Development (LED)**

Local economic development literature has begun to take a new direction in the 1980s, by which time clusters had already been defined as vital in adapting to the new competitive conditions. Local economic development literature, recently, emphasizes the crucial role of institutions, institutional thickness and institutional

capacity in addition to other classical factors of development in the competitiveness of regions (Öztürk, 2011).

The World Bank (WB) (official website, 2011) defines the purpose of Local economic development (LED), is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.

LED is defined as a process ‘in which partnerships are established between local governments, the private sector and community based groups in order to manage existing resources for job creation as well as the stimulation of local economies’ (WB, 2003). LED is also defined broadly as, an activity setting of the specific transformational processes of a locality into action. Tourism is one of the stimulating sectors in local economic development (Ecerel, 2009).

LED is seen as one of the most important ways of decreasing poverty by creating jobs in local economy. This means that more businesses and factories should be started in the municipal area. In other words, the main objective of LED is the improvement of economic development conditions and increasing life standards.

In literature, there are many definitions related to the concept of LED as mentioned above. It is clear from definitions that a LED project focuses on building local capacity to improve the economic vitality of a community (USAID, 2006).

The reason behind the rise of local economic development is highly related to the changing economic structure of the world which gains prevalence the localities rather than nations. LED offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

In the transformation of approaches to local development, tourism has been defined as a key sector in the competitiveness of a local. Recently, tourism has emerged as an

increasingly important part of the economy because it is not so dependent on financial capital, often requires little capital, or major infrastructure and is, therefore, an entry sector that can achieve quick results for poorer areas with minimal skills training and marketing.

### **2.3. Tourism and LED**

LED is not the form of tourism so much as the impacts of the tourism that need to be considered in evaluating its contribution to local.

In the international context, ‘tourism is widely recognized as an instrument of local economic development’. During the 1980s after twenty years of financing tourism projects, today, The World Bank’s interest in tourism derives from its direct and indirect roles in reducing poverty and achieving the United Nations Millennium Development Goals (Hayakawa and Monica Rivero, 2009).

Today, as in the mid-80s and mid-90s, World Bank focuses on LED-based tourism. Its project objectives has changed from supporting beach (sun, sand and sea) development projects to poverty reduction through agro-eco-tourism, community-based tourism, cultural and adventure tourism and, in general, the development of special niches where tourism can claim both environmental sustainability and social responsibility. These tourism spaces represent examples of localities in which local development is based on consumption rather than production-oriented growth and development and there are a number of international examples where tourism is the lead sector for LED such as South African Countries.

It is widely accepted that tourism has a close link with local economic development. According to Bartik (2003), local economic development may be defined as the increase in the *“local economy’s capacity to create wealth for local residents”*. In this respect, local job growth and shifting employed labor to more productive uses are the ways trigger economic development.

Tourist spending enters the local economy to varying degrees depending principally on the structure of the tourism business and its supply chain at a destination. The



economic contribution entering the economy is the “local contribution” and is typically measured as an average amount per tourist, and as a percentage of the total tourism spending that stays in the local economy (UN, 2011).

Tourism is a useful territorial development tool provided that it is based on planning and viable strategies for promoting the balanced development of the area, in which tourism will not necessarily become the dominant activity (OECD, 2012).

According to WB (official website, 2012), local economic development comprises a range of disciplines including *physical planning, economics and marketing*. Tourism is one of these disciplines and includes a wide range of activities, such as transportation, accommodation and catering, tour operation and travel agency businesses, tour guiding, the sale of souvenirs, and financial services. Thus, Rogerson (2006) emphasizes that *tourism can be a strong driver of local economic development* because it is able to create jobs and other spin offs in the local community, including supplier development and demand for other tourism products in the destination. For example, when a tourist visits a destination, they spend money not only on accommodation, restaurants, and activities, but on other service industries such as banks, transport services, construction, infrastructure, arts, crafts, agriculture, services, transportation and manufacturing.

Another contribution of tourism to local economy is to create job and develop human capital. Since tourism sector is labor-intensive, tourist destinations do not only aim to attract financial capital from abroad, but also human capital.

In general, tourism provides certain economic advantages to regions and localities. Thus, many countries employ tourism oriented policies and define tourism as the leading sector in economic development.

One of the major reasons why tourism is so significant for LED is that the originating market countries cannot put up protectionist barriers against the destination countries, and tourism has potential in economically poor countries and regions with few other competitive export opportunities. Although it is an advantage of tourism that the holidaymaker pays the cost of their flight, because the producer does not

have to pay the cost of sending the goods to market, one of the challenges for tourism to those countries heavily reliant on sun, sand, and sea tourism is to differentiate their product from their competitors. The market for sun, sand, and sea tourism is highly competitive and flight distance from originating markets is a major determinant of commercial viability.

The biggest advantage of tourism is that the end consumer, the tourist, travels to the 'factory' to consume the product. Thus in theory a hotel is more beneficial than a shoe factory both creates employment, and tourism is relatively labour intensive. The hotel also attracts consumers who will stay in the hotel and are available as potential customers to the local community, if they can produce goods and services which can be sold to the holidaymakers. There are considerable opportunities to develop linkages and to make sales both to tourism enterprises and to tourists. It is also significant that the natural and cultural heritage of local communities is often an asset of the economically poor: there are opportunities for the economically poor to develop goods and services, crafts, local foods, music, dance, storytelling, and guiding services which are sought by tourists and which can provide additional, supplementary livelihoods for households-avoiding the dangers of dependency (Goodwin, 2008).

To sum up, the investment in tourism will act as a catalyst and produce an increase in revenue for the local community. Also as a catalyst, tourism development and new investment in tourism will together improve higher employment, the consequent increase in domestic income and the results of economic integration will produce a higher standard of living in the local community.

#### **2.4. Land Use Planning and LED**

Tourism provides a major economic development opportunity for many countries and a means of improving the livelihoods of its residents. Both the public and private sectors involved in tourism depend on planning to achieve sustainable tourism development that respects the local community, creates appropriate employment, maintains the natural environment, and delivers a quality visitor experience.

Many tourism destinations have an overall or general plan that includes all aspects of the tourism development process. This is often referred to as the tourism master plan and sometimes called the comprehensive master plan. A master plan for a destination will vary by project depending on the type of destination being developed, its current level of development, and the theory or style of planning being used. Elements of a master plan usually include economic development, human resources, environmental impacts and social and cultural impacts. Master plans are designed to cover a certain time frame or period such as a five-year plan or a ten-year plan (UoH, 2012).

In order to decide land uses it is essential to know the consequences of decisions. Trade off in cost to the province, the individual, and in quality of life can only be determined if we know what we wish to accomplish. All uses affect others and influence future decisions. The restriction on future decisions is especially important as competition for the land base increases and conflicts become more evident. The intent and effect of every separate decision can be defined in land use plans.

Land use plans should clearly outline areas of local concern and project local needs into the future. They allow the public to participate in local government decisions that establish a framework for regulation. They allow predictability as to how regulations will be applied now and in the future.

## **CHAPTER 3**

### **THE ECONOMIC IMPACT OF TOURISM**

In literature, impacts of tourism are categorized in three subjects such as economic, socio-cultural, and environmental (Cooper et al, 1993 cited in Harcombe, 1999). In these effects, the economic one is come to fore significantly in practice. It is obvious that tourism have number of beneficial effects to destinations where is visited regularly by the tourist.

Tourism, owing to wide range of inputs and expenditures on, has always been developed as multilateral industry unlike other known sectors. As a result of visiting a destination, income generated by many sectors, which affected directly and indirectly, such as accommodation facilities, travel agencies create more multiplier effect than other common sector in economy (UN, 2002).

In literature, various studies have been done to evaluate the multiplier effect of tourism for national and local economy so far. The multiplier effect is created by the expenditure of both foreign and domestic visitors. It is known that the most important factor, which creates multiplier effect in an economy, is foreign exchange from outside of the economy. As a result of studies which done by the UNWTO, multiplier effect is calculated as one and half in an economy in 1990 (UN, 2002). It means that one dollar, which is spent in an economy, creates additional one and half dollar. In balance, the economic impacts of tourism are usually considered to be beneficial for countries and localities looking for sustained growth.

This chapter looks at economic impacts and interprets that explains how the economic benefits of tourism can be occurred consequences of tourism spending, including the generation of foreign exchange.

### **3.1. The Economic Impact of Tourism**

The main economic effects of visitors at destinations achieved through spending on a wide variety of goods and services. This expenditure can be seen as an injection of financial resources into the host economy, thereby creating new levels of consumer demand (Harcombe, 1999).

Tourism's economic impacts are mainly considered to be most beneficial one unlike some of its socio-cultural and environmental effects. The economic impact of tourism includes, what is called the multiplier effect, the generation of foreign exchange, creation of new job and employment opportunities, income and entrepreneurship, the stimulation of trade especially in the service and small business sectors, increased regional development particularly in isolated areas.

In order to understand the impact of tourism on the the economy, as a priority, the concept of the “multiplier effect” should be introduced.

Although there are many definition of “the multiplier effect” in literature, the widely accepted one interprets the concept as an iterative action. According to this definition, when new money entering an economy in whatever form-investments, government grants or expenditures, remittance from workers abroad, or tourist expenditures stimulates the economy, not once but several times as it is respend.

According to Mathieson & Wall (1982), when money is spent in a destination by tourist for hotels, restaurants and taxis, the cascading effect begins at front-line. Then the effect of this spending spreads throughout the economy creating impacts at three different levels. These are the direct, indirect, and induced levels that is called as the *multiplier effect* (Harcombe, 1999).

Multiplier effects are often cited to capture the secondary effects of tourism spending, and to show the wide range of sectors in a community which may benefit from tourism (Stynes, 1997).

John Maynard Keynes and R.K. Kahn developed the idea that economic growth results from investment, which creates employment and income for the future

(Lunberg et al. 1995 cited in Zhang, 1999). Exports bring in money from outside an economy. Economically, tourism income from foreign tourists is exports for countries. Keynes called exports injections into an economy, injections that add to economic growth (Cleverdon, 1979) In other words, according to Zhang (1999), investment, like export and tourist spending, is considered to be exogenous injection in to a national economy.

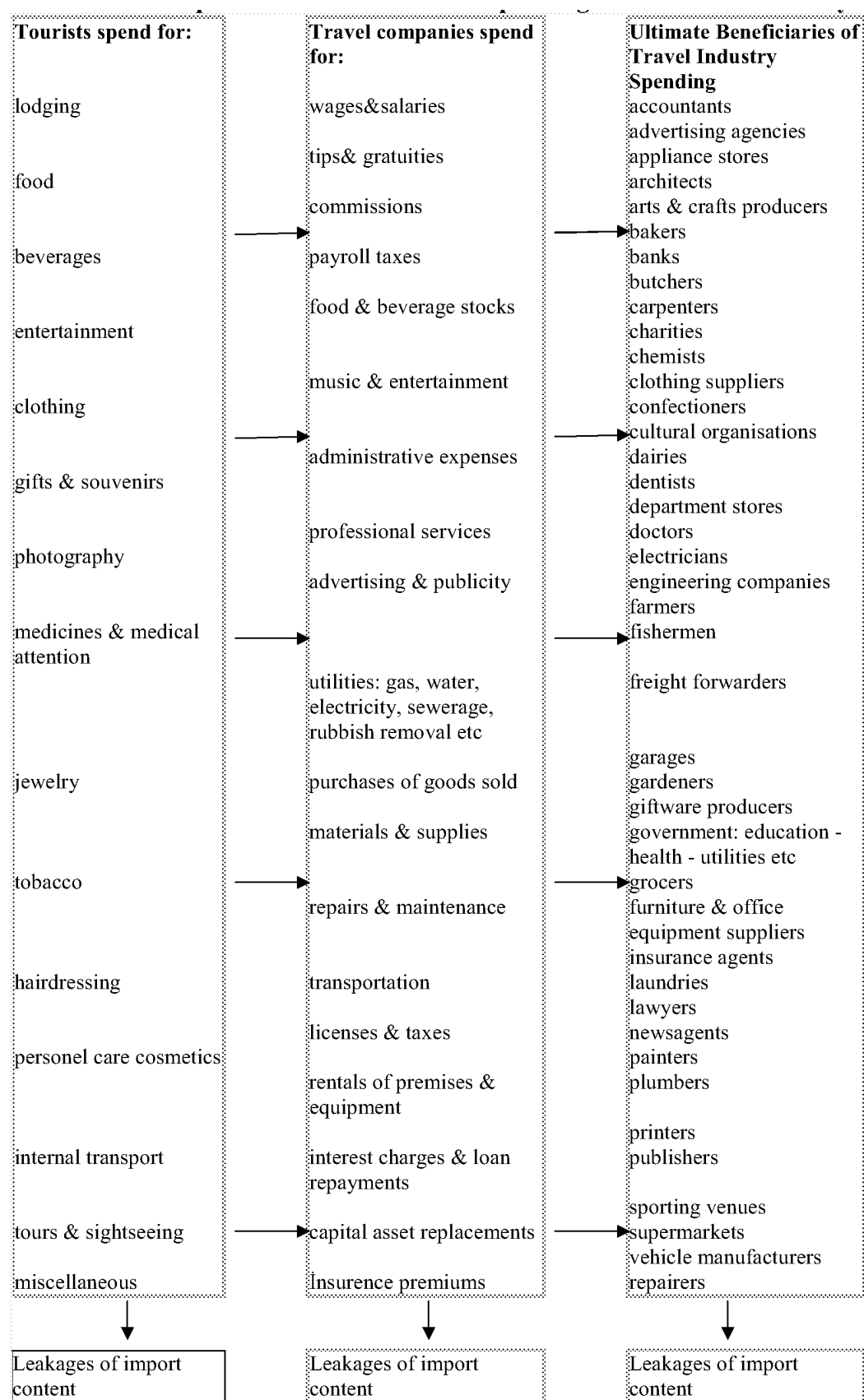
According to a WTO (1982) study on multiplier effect, to understand how tourism flows in economy, indicates that since the tourism industry requires a series of inputs that are varied in nature, it automatically opens up a wide range of economic activities in different professions and different areas. For example, establishment of a hotel in certain areas calls for regular supply of many items and as a result economic activities for production and supply of those items automatically grows up there. The wide variety of choices by the visiting tourists also calls for variety of supplies from different areas thus creating a chain of economic activities.

Table 3.1 shows how the dollar, when injected into an economy, produces a multiplier effect and stimulates the economy. Leakages from the economy, as spending occurs, are also shown in the figure (WTO, 1982).

The left-hand column of Table 4.1 shows the kinds of activities which tourists pay for, creating direct multiplier effects, while the middle column identifies those businesses from which travel companies make purchases, using tourist-generated money, and so creating indirect multipliers. Right-hand column shows those non-travel industry businesses, who may receive tourist-generated money, and who then create induced multipliers by spending this revenue.

What goes out of the economy after a tourist receipt depends in large part on the linkages within the economy, how the money is spent within the economy. The more spent within the economy that remains as a benefit, the higher the multiplier. This process stimulates the local economy through the multiplier effect, which can be direct, indirect, and induced.

**Table 3.1: Multiplier Effect: How tourism spending flows into the economy?**



**Source:** UNWTO, 1982

### 3.2. Direct, Indirect and Induced Multiplier Effects

Tourism income multipliers have been developed for a number of cities and regions. One reason for their popularity is that a multiplier as a number is easily understood. The multiplier says in effect that tourism spending not only brings new dollars into a local economy, but also that as new dollars are circulated their effect is multiplied.

According to Mathieson & Wall (1982) the income multiplier defined as the ratio of direct, indirect and induced changes in an economy to the direct initial change itself. Thus the income multiplier considers three types of influence of tourist expenditures are given below:

- “1. Direct spending: The initial expenditure creates direct revenue to hoteliers, service stations, and other tourist industries;*
- 2. Indirect spending: The payments of salaries and wages to local employees, and tourist establishments replenishing their stocks, are indirect effects of the initial, direct tourist expenditure;*
- 3. Induced spending: As wages and salaries within an economy rise, consumption also increases and this provides an additional impetus for economic activity.”*

The “income multiplier” is used to describe the amount of the indirect economic activity resulting from the local contribution. The economic development potential of tourism is a direct function of the local contribution and multiplier-larger local contributions and larger multipliers each lead to greater economic activity in the local economy and there are important synergies between them (UNEP, 2011).

Tourism industries which directly receive the tourist’s money also need to purchase goods and services from other organizations within the local economy. The economic activity generated by these subsequent rounds of expenditure is called the indirect multiplier effect. The indirect effect will not involve all that money which was originally spent by tourists, as some of this money is also likely to leak out of circulation through imports, savings, and taxes particularly where the local economy cannot supply all that certain tourists needs. Thus according to Cooper et al, (1993)



direct impact - and the size of this multiplier - is likely to be less than an individual tourists actual spending because of leakage.

Therefore, in order to ensure the contribution of tourism to the local economy, it is great importance to provide all the needs of tourist in local businesses. During the direct and indirect rounds of expenditure, money will be paid to local residents in the form of wages, salaries, rent, interest, and dividends; and also to local businesses for routine services. Some of this expenditure (called the induced multiplier) generates more rounds of economic activity by being spent on local goods and services. It is only all three levels of impact (direct + indirect + induced) that the full effect of tourism can be assessed when the local economy can supply particular businesses.

As a result, in the multiplier process, direct multipliers flow from what visitors actually spend, while indirect multipliers are created by tourist industry expenditure. Induced multipliers come from the routine spending, by their non-tourism industry suppliers, of both their direct tourist and indirect tourist industry receipts.

From a global perspective, Mill and Morrison (2006) review the literature on income multipliers and present a list of estimations from different countries and regions. Income multipliers can be relatively low for specific destinations such as the City of Winchester (0.19) and higher for a country such as Turkey (1.96).

According to Cooper (2008), tourism impacts income in different ways depending on the country or region where it develops (See Table 3.2). Every US dollar spent by overnight tourists' impacts income in the economy between 1.12 to 3.40 times. This high variability indicates that local economic impact development will depend on particular characteristics of the tourism business "model", in particular the quantity and type of products and services sourced from the local economy (UNEP, 2011).

**Table 3.2: Tourism Income Multipliers**

<b>Destination</b>	<b>Personel income multiplier</b>
Turkey	1.96
United Kingdom	1.73
Republic of Ireland	1.72
Egypt	1.23
Jamaica	1.23
Dominican Republic	1.20
Cyprus	1.14
Northern Ireland	1.10
Bermuda	1.09
Hong Kong	1.02
Mauritius	0.96
Antigua	0.88
Bahamas	0.78
Fiji	0.72
Cayman Islands	0.65
Iceland	0.64
British Virgin Islands	0.58
Solomon Islands	0.52
Republic of Palau	0.50
Western Samoa	0.39

**Source:** Fietcher, 1993, p. 669.

### **3.3. Measuring Economic Impacts**

Tourism industry creates multiplier effect by a process when tourist dollars are received, and then re-spend, of a year may recur seven or more times before its effect is too small to measure. But there are leakages. Some immediately leaves the economy to pay for imports. Therefore the measurement of the economic effects of tourism is far more sophisticated than simply calculating the total amount of all such tourists' spending, or their related receipts. Such calculations take no account of how much tourist expenditure leaks out of the economy either in payment for imported goods and services to supply tourist's needs, or as taxes and savings.

Thus Harcombe (1999) connects the problems of calculating how much additional expenditure is created through the cascading effect of money being re-spent again and again, such as data collection problems, data selection difficulties, and supply constraints. This is because secondary data is seldom available in sufficient

quantities to enable an accurate calculation to be made of what a particular area, or industry sectors, actual multiplier is. In addition, the first requirement for any primary data survey is that there are full records of every transaction. In fact, there seldom are as some transactions, especially restaurant tips and some taxi fares, may be cash-in-hand.

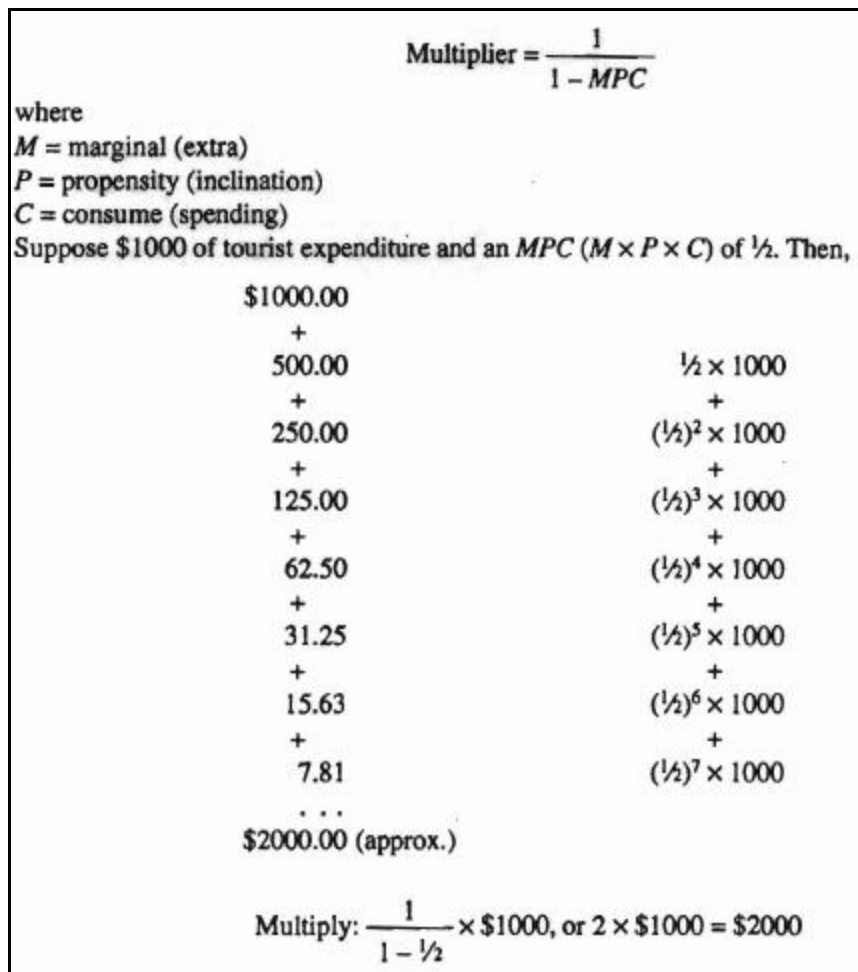
Multipliers effect industries within the area covered differently depending upon the linkages between visitor expenditure and the industries within the economy. However, the economic impact of visitor spending is typically estimated by some variation of the following simple equation in literature. And based on this equation, it is also tried to explain how to calculate the multiplier effect fallowing with two sample calculation.

$$\text{Economic Impact of Tourist Spending} = \text{Number of Tourists} * \text{Average Spending per Visitor} * \text{Multiplier}$$

This equation suggests three distinct steps and corresponding measurements or models:

- (1) Estimate the change in the number and types of tourists to the region
- (2) Estimate average levels of spending (often within specific market segments) of tourists in the local area.
- (3) Apply the change in spending to a regional economic model or set of multipliers to determine the secondary effects.

According to study of McIntosh and Goeldner (1990) aims to illustrate how a multiplier is derived. The illustration shown in Figure 3.1 assumes that the time period examined is one year. It also assumes that there will be seven rounds of spending before the encouraging effect of the tourist dollar is lost. Under these assumptions money saved would not be banked (where it would soon be reinvested and respent). With each round of spending the encouraging effect on the economy is reduced by savings, import purchases, and taxes, or money leaving the economy for other reasons. At the end of a year the \$1000 of tourist spending as seen in the example had a encouraging effect on the economy as if it were \$2000. The multiplier effect is two.



**Figure 3.1: How multiplier is derived** (Source: McIntosh and Goeldner cited in Mathieson & Wall, 1982)

Thus, the original \$1000 of tourist expenditure becomes \$2000 of income to the community in one year.

According to another empirical study, which explained by (Harcombe, 1999), the result show that how multiplier effect occurs in an action. In Figure 3.2, a tourist's \$100 expenditure creates at least another \$160 worth of transactions, though \$40 is lost as leakage (\$20 to imports, \$20 to savings).

No	Expenditure	Costs	Total
1	a tourist spends \$100 at a hotel		\$100
2	the hotel spends this \$100 on:		\$100
	• an employee's daily wages	\$40	
	• electricity bills	\$20	
	• building repairs	\$20	
	• imported drinks for guests	\$20	
3	the employee spends his \$40 on:		\$40
	• a meal	\$10	
	• part of his rent	\$20	
	• a taxi fare	\$10	
4	the café which was paid the \$10 by the employee buys • fresh vegetables	\$10	\$10
5	The landlord who received the \$20 towards the employee's rent saves it to pay for a future building extension (i.e. creates a leakage)	\$0	\$0
6	The taxi driver, who received the \$10 taxi fare, spends it on: • more fuel	\$10	\$10

**Figure 3.2: The Multiplier Effect** (Source: Harcombe,1999)

To explain with an example such as X area where an additional 100 visitors, each one spends \$ 100 per day, for total of \$10,000 in new expenditure for a day. It is estimated that one million dollar revenue might be gained in a 100 day of season via spent on hotels, restaurant, and trade sector.

However, 30% of the million dollars might leak out of this X area to cover the costs of non-locally produced goods purchased by tourists, (only the retail margins for such 'imported' items should normally be included as direct sales effects). It means the resulting \$700,000 in direct sales might yield \$350,000 in income within tourism industries and support almost 20 direct tourism employments. Sectors, which are affected by tourism, are labor and income intensive, so a high proportion of sales mean income and jobs. The tourism industry then buys goods and services from

other local businesses, and pays out most of the \$350,000 in income as wages and salaries to employees. This creates secondary economic effects in the region.

In practice, as seen, there are several different approaches to calculating multipliers as well as several different types of multipliers. These kinds of analytical details are beyond the scope of this thesis, but accordance to main aim of this study, that evaluate the contribution of tourism on local economy, traces changes in economic activity resulting from some action, identifies the economic sectors that benefit from tourism, and estimates resulting changes in income and employment in the local.

### **3.4. The Relation between Tourism and Employment**

Tourism is more labour oriented than other sectors of production because it is mostly a service industry (Thuin, 2011). The service factor is very important in tourism sector which is also known as hospitality sector. Therefore, it is clear that the tourism industry can create more employment opportunities and a productive labour force to a greater degree than other sectors.

Tourism creates a multitude of employment opportunities in both the formal and informal sectors. Additionally, tourism may create three types of employment opportunities: direct, indirect and induced. Direct employment refers to employment generated in, for example, hotels, restaurants, tour companies and nightclubs. Indirect employment refers to people working in activities that at times are dependent on tourism, and includes the construction trades, professionals such as doctors who occasionally serve hotel employees and tourists, merchants, gasoline station attendants and others who are less dependent but still benefit from tourism. Induced employment refers to the additional employment resulting from the effects of the tourism multiplier as local residents re-spend the additional money they have earned (Mathieson&Wall, 1982).

When tourism creates jobs directly and it also leads to additional (“indirect”) employment. According to estimation of ILO (2008) it is calculated that one job in the core tourism industry creates about one and a half additional jobs in the tourism-related economy.

There are workers indirectly dependent on each person working in hotels, such as travel-agency staff, guides, taxi and bus drivers, food and beverage suppliers, laundry workers, textile workers, gardeners, shop staff for souvenirs and others, as well as airport employees (ILO, 2008).

These relationships influence the many types of workplace relationships that include full-time, part-time, temporary, casual and seasonal employment and have significant implications for employment opportunities within the sector.

Due to limited use of mechanization and automation in tourism, technological developments causes decrease the need for personnel in this sector minimally. Any spending by a tourist allow this sector directly and allow other sectors which supply input to tourism sector indirectly to create employment facility. Development in tourism has created a lot of qualified and unqualified job opportunities both in industrialized and developing countries (Durgun&Önder, 2011).

According to World Travel & Tourism Council's estimation, employment in tourism industry of World is directly supported 98,031,500 jobs (3.3% of total employment). This is expected to rise by 2.3% in 2012 and rise by 1.9% pa to 120,470,000 jobs (3.6% of total employment) in 2022. In 2011, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 8.7% of total employment (254,941,000 jobs). This is expected to rise by 2.0% in 2012 to 260,093,000 jobs and rise by 2.3% pa to 327,922,000 jobs in 2022 (9.8% of total) (WTTC, 2012a).

Along with direct and indirect employment created by tourism industry, total employment in the industry has crossed the line of 260 million.

Although full employment is nearly achieved in the tourism season, the more limited availability of permanent jobs can be linked to the seasonal nature of tourism. Due to tourism's being a seasonal area of activity, in order to sustain employment in this sector the tourism season should be spread over the entire year (though depending on the region) with sufficient diversification of tourism types and tourism products such as thermal, winter tourism etc.

To sum up, tourism benefits local economies through increased output, labor earnings and employment. Tourism multipliers embody the total increase in output; labor earnings and employment through inter industry linkages in a region as a result of tourism expenditures. Therefore, tourism's economic impacts are an important consideration in economic development, in state, regional and community planning decisions. Communities need to understand the relative importance of tourism to their region or local, including tourism's contribution to economic activity in the area.

A variety of studies ranging from methodologies, case studies, assessments, and summaries to complex mathematical models are used to estimate tourism's economic impacts. This study provides a systematic introduction to economic impact concepts and methods of analysis at first. Then, it is oriented to understand and evaluate the effects of thermal tourism on local economy through analysis to find out how much tourists spend, determine how tourism impacts local businesses' sales, find out how much income tourism generates for area households and businesses, measure the number of jobs supported by the tourism industry.



## **CHAPTER 4**

### **TOURISM DEVELOPMENT POLICIES AFTER THE 2000s**

In Turkey, tourism is also one of the most rapid growing sectors. Policy makers have always great expectations from tourism in terms of achieving high income and economic development particularly after 1980s.

Tourism in Turkey has emerged as an enormous branch of industry with its approximately US\$20 billion annual foreign exchange earnings and direct and indirect employment opportunities since it provides for more than 2 million people. In this view, this chapter focuses on investigating the contribution of the rapidly developing tourism sector, especially after the 1980s, to the economic growth.

Over the past six decades, tourism has experienced continued expansion and diversification becoming one of the largest and fastest growing economic sectors in the world. Therefore popular tourist destinations are in a position where to develop alternative tourist activities to sustain their market shares in world tourism market. In compliance with this trend, this chapter analyses the need and the reason of diversification Turkish tourism especially by focusing on thermal tourism type as a tool of local economic development and tool of competitiveness in the world market.

#### **4.1. Impact of Tourism on Turkish Economy**

The tourism sector in Turkey has developed especially after the 1980s and has become an important instrument to meet foreign trade deficits, improve the balance of payments by contributing with a significant amount of foreign exchange and reducing unemployment. In Turkey, the tourism sector has great importance in terms of employment generation capacity.

In order to get more benefit from this instrument, Tourism Encouragement Law which came into force in 1982 No: 2634, was issued to promote tourism sector. Through this law, the Turkish tourism sector experienced a significant development and took an indispensable role in Turkish economy.

The tourism revenues, which have a significant share in the foreign revenues of the country as well as exports, is an important instrument in meeting the foreign trade deficits and improving the balance of payments by contributing with a significant amount of foreign exchange (MOIT, 2007). Thus, the importance of the tourism revenues can be seen in the current account balance for Turkey (İnançlı&Ulusoy, 2011). Table 4.1 shows that a large portion of Turkey's foreign trade deficit is met by tourism revenues.

**Table 4.1: The Compensation Rate of the Tourism Revenues to the Foreign Trade Deficits**

<b>Year</b>	<b>Foreign Trade Deficits (billion \$)</b>	<b>Tourism Revenue (billion \$)</b>	<b>The Compensation Rate (%)</b>
1996	20.402	5.650	27,7
1997	22.298	6.208	27,8
1998	18.947	7.177	37,9
1999	14.100	5.203	36,9
2000	27.178	7.636	28,1
2001	10.065	10.067	10.0
2002	15.495	11.901	13.01
2003	22.087	13.243	16.7
2004	34.373	15.888	21.6
2005	43.298	18.154	23.9
2006	54.041	16.851	32.1
2007	62.791	18.487	34.0
2008	69.936	21.951	31.7
2009	38.785	21.249	18.3
2010	71.563	20.807	34.4
2011	105,88	23.000	21,9

**Source:** Compiled from data of TURSAB and TUIK, 2012

Current account deficit was very high in 2011 reaching 77,09 billion USD (was 46,64 in 2010) corresponding to a historical high of almost 10% of GNP. In 2011, foreign trade deficit was 105,88 billion USD (was 71,6 in 2010) widening 67% compared to the previous year. Thus, the main factor in the rise of the current account deficit was the increase in imports and deteriorating trade balance. Growing economy activity fuelled imports through capital and intermediate goods imports. Exports were also strong however they increased at a lower pace compared to imports. Tourism revenues helped compensating by generating a revenue over 23 billion USD in 2011.

Consequently, it is obvious that tourism revenues are indispensable source for Turkish economy. To discuss the importance of tourism revenues for Turkish economy, we also should focus on the effects of tourism on employment opportunities.

Travel and tourism are human-resource intensive, employing directly and indirectly 8 per cent of the global workforce and it is estimated that one job in the core tourism industry creates about one and a half additional or indirect jobs in the tourism-related economy (UN, 2011).

According to World Travel & Tourism Council's estimation, employment in tourism industry of Turkey is directly supported 509,500 job in 2011 (2.1% of total employment). This is expected to rise by 4.4% in 2012 and rise by 2.6% pa to 689,000 jobs (2.5% of total employment) in 2022. In 2011, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 8.1% of total employment (1,939,000 jobs). This is expected to rise by 3.4% in 2012 to 2,004,500 jobs and rise by 1.4% pa to 2,310,000 jobs in 2022 (8.3% of total) (WTTC, 2012b).

Along with direct and indirect employment created by tourism industry, total employment in the industry has crossed the line of 2 million. In other words, as can be seen from the figures, the one direct employment in tourism sector creates one and half indirect employment in Turkey.

Although Turkey has relatively higher alternative potential in tourism in comparison to many other popular tourist destinations the mass tourism oriented development still plays important role. However mass tourist activities merely depend on seasonal climatic conditions known as sea- sun- sand; therefore they are short-term activities. Although it creates high revenue and employment capacities during summer months but it is seasonal. On the other hand alternative tourist activities can occur at any time of the year regardless of summer months therefore may create full employment and high revenue.

In addition to coastal tourism, Turkey has several unique opportunities for different types of tourism such as health and thermal resources, winter sports, mountain climbing, conference and expo tourism, cruise ships and yachting, golfing, etc. However, a good deal of this potential is not yet utilized.

Therefore in compliance with this trend, Turkey focus on diversifying tourism activities and extending the tourist season to year round with reference to Turkey Tourism Strategy. Additionally Turkey desires to promote her potential in the international tourism market and accordingly to obtain more tourism revenues.

#### **4.2. Development of Tourism in Turkey**

In the world, tourism has become one of the most important sectors and concepts after the 1970s. In Turkey activities in tourism meets with the years after the 1980s. According to Öztürk (2010) changes in development policies have been effective on defining tourism as a tool of development in Turkey before and after the 1980s. During this policy change, tourism has been defined as a key driver for promoting local development.

Especially regulations, policies and big tourism development projects after the 1980s were very important in shaping tourism development in the country. During this period of fast development, planning policies of the central government, development projects and land allocations were very influential and gave a mass tourism character to the pattern of tourism development in Turkey (Öztürk, 2010).

There were basically five objectives, actually the main targets in all Turkish tourism development history (Çetin, 1981 cited in Nohutçu, 2002:10): (1) to benefit from economic, social and cultural impact of tourism, (2) to contribute to balance of payments and the Gross National Product, (3) to benefits from its foreign exchange effect as a tool for industrialization, (4) to create new employment possibilities, and (5) to provide more holiday opportunities for Turkish citizens.

From the first five-year development plan, which was launched in 1963 to set out national goals and targets, to today, tourism was taken as a subsector in the development plans of period under the heading of service sector.

Turkey's tourism policy and tourism planning process was shaped by the tourism-related ministries and state authorities centrally in the light of the needs of the national economy and private enterprises (Kuvan, 2005 cited in Öztürk, 2010).

For requirement of country, developing mass tourism was seen as the only solution in the coastal regions of the country. Thus, a great number of tourism centers were established along the Turkish Mediterranean coast in this period.

According to MOCT Report, development of tourism in Turkey is discussed over a three main period:

In first period, 1970-1982, is accepted the period of maximum state intervention. Planning and implementation of pioneering projects were conducted by state. In order to tourism development international agreements on tourism and cooperation were provided.

In second period, 1982-2003, the Tourism Encouragement Law of 1982 (No. 2634) gave the opportunity to tourism investments that took place in these tourism regions, zones and centers defined by the help of central government incentives. Within this period planning becomes centralized, and public lands started to be allocated to the investors through the Ministry of Tourism. Therefore to stimulate mass tourism development, the central state created a territorially bound 'Tourism Zones, Tourism Areas, and Tourism Centers'. The logic behind the criteria for defining the regions,

zones and centers was to determine the clear territories for tourism to attract the maximum numbers of tourists, who would bring in maximum foreign currency earnings which was critical for an economy in crisis (Öztürk, 2010). While there were also incentives for infrastructure such as water, electricity consumption, qualified tourism staff was educated by the state intuitions, investment credits were provided through Tourism Development Bank of Turkey.

In the third period, Amendments in tourism encouragement law 2003 to today, The Ministry is entitled to make, get made, approve on its own initiative and adjust the plans at any scale for culture and tourism protection and development regions and tourism centers. In accordance with the neoliberal order, this period is accepted to be made maximize private sectors role while minimize state's intervention (land development model). In addition to mass tourism, priority was given to increase bed capacity in favor of alternative-diversified tourism activities. Provision of integrated and destination oriented regional planning is still underway by large scale planning & public land allocation creation of satellite tourism zones – cities (housing, marinas, golf courses, hotel complexes).

It is appropriate to give some statistics of tourism in order to show development of tourism sector in Turkey. According to World Travel&Tourism Council's 2012 Report for Turkey, the industry generated total contribution of Travel &Tourism to GDP, including its wider economic impacts, is forecast to rise by 2.9% pa from TRY141.8bn (10.9% of GDP) in 2012 to TRY195.bn (3.0%) by 2022.

In terms of tourist arrivals, the share of Turkish tourist arrivals in the world has increased from 1.1% in 1990 to 8.7 % in 2011 (UNWTO, 2012). (See Table 4.2)

**Table 4. 2: International Tourist Arrivals**

		Full year							Change			
Rank		Series	2000	2005	2008	2009	2010	2011	09/08	10/09	11/10	
'11 '10			(million)									(%)
World			673	799	918	882	939	982	-3.9	6.4	4.6	
1	1 France	TF	77.2	75.0	79.2	76.8	77.1	79.5	-3.1	0.5	3.0	
2	2 United States	TF	51.2	49.2	57.9	55.0	59.8	62.3	-5.1	8.8	4.2	
3	3 China	TF	31.2	46.8	53.0	50.9	55.7	57.6	-4.1	9.4	3.4	
4	4 Spain	TF	46.4	55.9	57.2	52.2	52.7	56.7	-8.8	1.0	7.6	
5	5 Italy	TF	41.2	36.5	42.7	43.2	43.6	46.1	1.2	0.9	5.7	
6	7 Turkey	TF	9.6	20.3	25.0	25.5	27.0	29.3	2.0	5.9	8.7	
7	6 United Kingdom	TF	23.2	28.0	30.1	28.2	28.3	29.2	-6.4	0.4	3.2	
8	8 Germany	TCE	19.0	21.5	24.9	24.2	26.9	28.4	-2.7	10.9	5.5	
9	9 Malaysia	TF	10.2	16.4	22.1	23.6	24.6	24.7	7.2	3.9	0.6	
10	10 Mexico	TF	20.6	21.9	22.6	21.5	22.3	23.4	-5.2	3.8	n/a	

**Source:** World Tourism Organization, 2012

The share of tourism receipts in the global tourism GDP, likewise, has increased from 1.2% in 1990 to 2.5% in 2009 (UNWTO, 2010). (See Table 4.3)

**Table 4.3: International Tourism Receipts**

		Full year						
		US\$						
Rank		2000	2005	2007	2008	2009	2010	2011*
'11	'10	(billion)						
	World	475	679	859	942	853	928	1,030
1	1 United States	82.9	82.2	97.4	110.4	94.2	103.5	116.3
2	2 Spain	30.0	48.0	57.6	61.6	53.2	52.5	59.9
3	3 France	33.0	44.0	54.3	56.6	49.5	46.6	53.8
4	4 China	16.2	29.3	37.2	40.8	39.7	45.8	48.5
5	5 Italy	27.5	35.4	42.7	45.7	40.2	38.8	43.0
6	6 Germany	18.7	29.2	36.0	39.9	34.6	34.7	38.8
7	7 United Kingdom	21.9	30.7	38.6	36.0	30.1	32.4	35.9
8	8 Australia	9.3	16.8	22.3	24.7	25.4	29.8	31.4
9	9 Macao (China)	3.2	7.6	13.4	16.9	18.1	27.8	..
10	10 Hong Kong (China)	5.9	10.3	13.8	15.3	16.4	22.2	27.2
11	12 Thailand	7.5	9.6	16.7	18.2	16.1	20.1	26.3
12	11 Turkey	7.6	18.2	18.5	22.0	21.3	20.8	23.0

**Source:** World Tourism Organization, 2012

According to previous year Turkey moves up one place to 6th in arrivals, and is 12th in receipts. Germany, the United Kingdom and the Russian Federation are the top sources of tourists to Turkey, together comprising approximately 36% of all international arrivals. Antalya and Istanbul are the most popular cities attracting approximately 60% of all arrivals. Currently, hotels in Turkey have a capacity of 567,470 beds. In addition there are many hotels in an investment stage with an additional capacity of 258,287 beds. The compound annual growth rate in bed capacity between 1998 and 2008 has been 6.1% (MOCT, 2009).

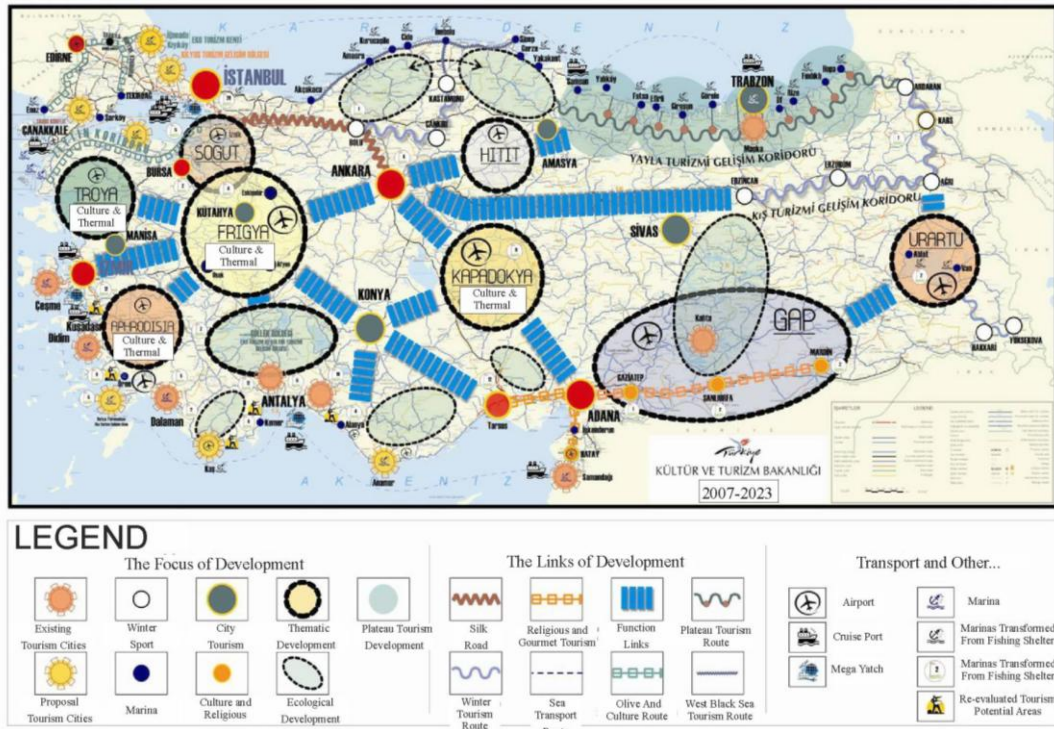
To sum up, tourism trend in Turkey has an increasing trend particularly in terms of receipts and tourist arrivals since 2000s. The tourism industry has been one of the most important drivers behind Turkey's economic development over recent decades by reducing unemployment, raising national GDP and improving the country's balance of payments.

#### **4.3. Tourism Strategy of Turkey**

Turkey has different important natural and historical tourism potentials in the every region. This potential has not been sufficiently utilized yet. Since the start of the new millennium, Turkey has placed greater emphasis on tourism diversification and sustainability. Destination based tourism development and promotion strategy is in line with this policy and promotes sustainability in terms of both contributing to local economic development and reducing regional concentration of tourism activities.

In order to establish a framework for utilizing these alternatives, unlike the other five-year development plans, Turkey Tourism Strategy, as a road map that will guide the Turkish tourism, has been prepared in accordance with the objectives of the ninth five-year development plan for the first time by the Ministry of Culture & Tourism. Turkey's Tourism Strategy 2023 and the Action Plan 2013 with the intention of guiding the tourism industry and determining strategies for long term and short and medium term primary action plans for tourism by creating a roadmap for the sector in 2007. With this framework, those investors who are considering investing in the sector will be supported by the government in terms of planning, land allocation, and with respect to tourism projects. The characteristics and shapes of such incentives will be determined on an annual basis.





**Figure 4.1: Tourism Strategy of Turkey Conceptual Action Plan (Source: MOCT, 2007)**

Within the context of 2007-2013 main decisions of the 2023 Turkey Tourism Strategy and Action Plan, the Troy, Phrygia and Aphrodisia Culture and Thermal Tourism Development Centers (TTDC) are determined as the thermal tourism oriented destinations. (See Figure 4.1)

Another aim of the strategic document is to discover alternative tourism potentials and develop some strategies to conserve and also to use them with the help of an action plan.

#### 4.4. Diversification of Alternative Tourism in Turkey

Mass tourism emerged on the agenda of world tourism industry since post war period, has been facing recession with late 1980s. Coastal tourism is also currently the most popular type of tourism in Turkey. However, tourism sector is growing fast, that mentioned in second chapter, and also consumer's preferences and

tendencies towards seeking new activities regardless of sea-sun-sand type of tourism have been started to change.

The overall trend in tourism is in change from traditional package tours to independent travels. Experienced travelers, in particular, are looking for new destinations, and developing countries could offer attractive alternatives. Moreover, demand is increasingly orientated towards new types of experiences – particularly cultural, health and environmental (UN, 2012:13). For example, as a result of increase in aging population in developed countries, the demand is towards more health tourism (since older tourists might be more health-conscious). Thus, the countries having rich natural, cultural, historical heritage and potential of thermal resources started to get benefit from this changing structure of tourism demand.

One of the main tools for diversification of tourism is “Culture and Tourism Protection and Development Regions (CTPDRs)”, which are identified within the Tourism Encouragement Law No 2634. CTPDRs are declared by the Council of Ministers upon proposal of the Ministry of Culture and Tourism (MoCT) and take into account natural, historical, archaeological and socio-cultural tourism assets of the region.

Within this context, 127 Coastal Tourism Centers, 74 Health-Wellness and Thermal Tourism Centers, 25 Winter Sports Tourism Centers and 28 Highland Tourism Centers have been declared up to date.

Geographical, thematic and seasonal diversification of tourism, particularly by enhancing the alternative tourism activities and creating a consumer demand for regions having tourism potential other than and in parallel with the Mediterranean and Aegean coastal line is of great importance for increasing the overall competitiveness of Turkey and convergence of the less developed regions.

In recent years, demands for tourism types other than sea - sun – sand are on the rise. Rapidly increasing and varying tourism sector has caused the relationship between tourism and environment to gain importance. Thermal tourism, which is a type of alternative tourism, is a candidate for being main tourism source of Turkey.

With over 1,300 thermal sources, Turkey has the seventh-largest thermal resources in the world, but their incomes from thermal tourism comprise only 1 percent of its total revenue. This is for a country, which is ranked first in Europe for its geo-thermal potential. Thanks to having rich geothermal resource potential, thermal tourism has come to the fore as an alternative tourism.

#### **4.5. Thermal Tourism as an Alternative Tourism Type**

Being within initial seven countries in the World, Turkey is the first country for potential of thermal resources and is the third country for application of thermal spring (hot spring) in Europe. For the usage of the essential and renewable geothermal resources in Turkey efficiently, usage of traditional thermal spring is being tried to improve a different comprehension and approach.

It is aimed to increase tourism income and the number of tourists and qualified facilities appropriate international standards which are integrated with cure parks, cure center and accommodation unities.

The studies for Health and Thermal Tourism are crucial for Culture and Tourism Ministry's politics about spread of tourism by diversifying to all country.

The concept in Thermal Tourism is to create facilities such as human health, physical fitness, recreation, entertainment, relaxation and sport centers running during twelve months; other than usage of thermal spring for bath.

##### **4.5.1. Conceptualizing Thermal Tourism**

Tourism is travel for recreational, leisure or business purposes. The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (UNWTO, 1995). In other words a tourist is a person who goes to another place for private interest or who is sent there (for example by a company), but is not employed at this place. Business tourists may go to this place for a

conference, a workshop or further education. Private tourists may go there for adventure, recreation, education, health, pilgrimage or other purposes.

The concepts of leisure, tourism and *thermalism* widely and joint, as well as the tendencies, characteristics and historic reasons that along centuries contribute to change the concept and thermal practices (Ramos&Satos, 2007).

In literature, various definitions come across related to thermalism such as spa, thermae, hot spring, kaplıca and ılıca. According to Karagülle (2008) although spa, hot spring, thermal water source, drinkable or hot spring words are all used by the public and all of these words mean the same thing but also they vary depending on the characteristics of the water.

According to the International Federation of Spas (FITEC), waters containing no less than one gram of mineral salt or dissolved carbon dioxide per liter are called mineral or hydromineral. If the temperatures of such waters exceed 20°C, they are referred to as “thermal”.

“Kaplıca” is a word in Turkish meaning “indoor thermal spring”; it derives from two other words meaning “closed” and “hot spring”. It identifies “districts” or “buildings” where natural hot springs are used especially for health purposes. It exactly corresponds to the word “spa” in English. Yet, the Latin word “thermal”, which is used almost in all languages around the world, gives the same meaning. This word comes from spectacular “thermae” built in all territories ruled by Roman Empire, a world empire; and expresses use of natural hot springs for health and recreation (Karagülle, 2006).

However, in addition to definitions expressed above, word of SPA, which embrace the word as an acronym for Latin phrase “sanitas per aquaam” , meaning “health through water” Bodeker&Cohen(2008). It is widely used to define water based treatment since ancient times.

The historical utilization of thermal springs for health purposes, as nowadays expressed by “thermalism” and “thermal medicine” concepts, is being reexamined on

the basis of modern evidence-based medicine approach; and scientific evidences on deep rooted empirical benefits of traditional use are rapidly growing in number (Karagülle, 2008).

Thermalism means a combination of THERMAE and SPA where each individual can enjoy the exceptional benefits of thermal therapies combined with the most modern treatments, coming from SPAS all over the world, according to personalized programs.

Spa has been known for a long time as a form of treatment. Most civilizations like the Romans, Greeks, Byzantines and the Ottoman knew the values of spa treatment. Many centers with curative spas function today throughout Europe and specifically in Germany, France, Switzerland, Italy, Greece, Russia, Hungary and the Czech Republic. Spa centers are also found in some Mediterranean countries like Tunisia, Morocco and Cyprus. The average period of stay of patients who come for treatment at the spa centers is between 15-20 days (ESPA, 2010).

The literature about the important Thermalism concept, which is supported for a capital resource- the thermal water- based in the following authors: Forwater, 1990; Cazes, 1995; Jamot, 1988, Jarrassé, 1994, Lopes, 2002; Louro, 1995; Nahrsted, 1997; Pollock, A. & Williams, 2000; Simões & Cruz, 1997; William, 1998 cited in Ramos&Santos, 2007).

In Turkey, thermal tourism is defined by Ministry of Culture and Tourism as *the usage of geothermal waters for human health through curing methods for complimentary therapies and rehabilitation such as having bath with mineralized thermal water (physiotherapy), mud baths, drinking, climate cure, and recreational activities*. However, “well-ness” is broadly used in European tourism in place of thermal tourism unlike in Turkey. There is very different definition for meaning of thermal tourism such as “well-ness tourism”, “health tourism” and “spa tourism”.



**Figure 4.2: A sample of Thermal Treatment Facility** (Source: From the archive of MOCT, 2007)

Wellness can be defined in various ways. World Health Organization's (1948) much cited definition of health as 'a state of complete physical, mental and social well-being and not only the absence of disease or weakness'.

Wellness tourism is one of the most ancient forms of tourism that is used in order to wellbeing by Greeks and Romans. This earliest form of health tourism is directly related to contemporary health and wellness and includes visits to mineral and hot springs (Didaskalou and Nastos, 2009).

The first constructions thermal baths on thermal springs are built and used for healing purposes by Romans in Anatolia (Kozak, 1996 cited in Oğuz et al, 2011). The hammam "Turkish Bath", Anatolian Seljuqs carried from the Middle Asia in the 16th century and united with the Islamic rituals, combines the functionality and the structural elements of its predecessors with the Roman thermae and baths. This

tradition is combined with the rich potential of thermal waters of Anatolia and introduced the “Turkish Bath” to the world and spread over other countries (Oğuz et al, 2011).

Today, health and wellness tourism is now an international trend set by the health conscious consumers seeking to enhance their wellbeing through their travel experiences. According to Smith and Kelly (2006) wellness tourists are defined “active health seekers” who are highly motivated and determined to play a role in their own health. They frequently choose alternatives to orthodox medicine and are not afraid to experiment.

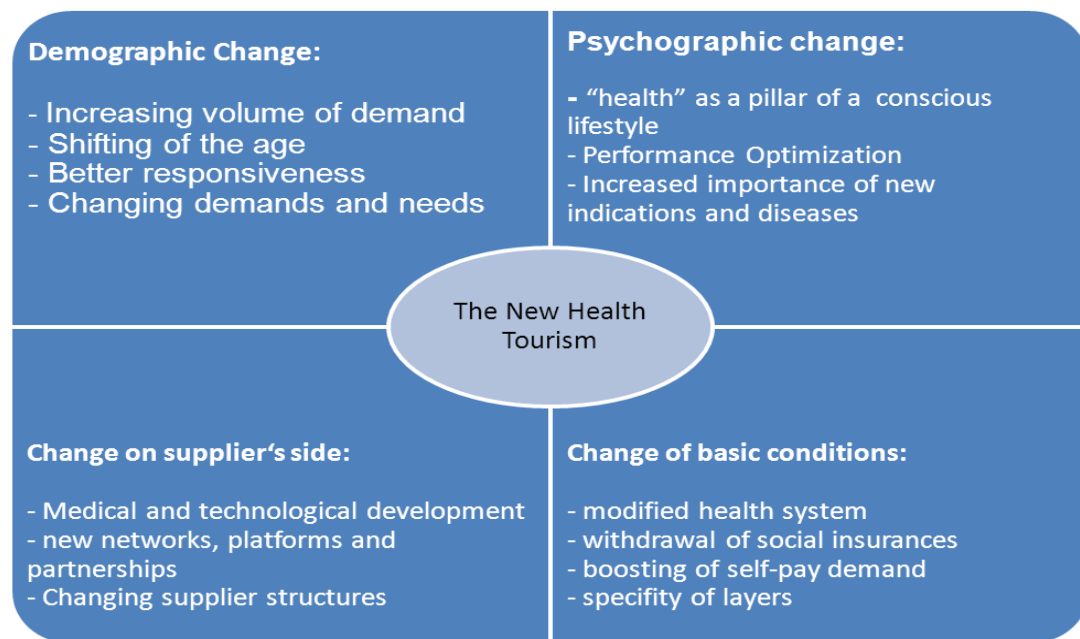
This type of consumer seeks to look and feel better, to lose weight, to slow the effects of aging, to relieve pain or discomfort, to manage stress, or to partake in the use of natural supplements like vitamins and minerals to improve their health (Government of Jamaica, 2012).

Several reasons such as demographic, economic and lifestyle factors are driving to wellness tourism (see figure). There may be several reasons for this trend but the following factors play crucial part (García-Altés, 2005 cited in Lagos&Nastos, 2009):

*Population Ageing: The postwar baby-boomer, aged late 30s to mid-50s and predominantly female, who have highest disposable income and highest propensity to travel. They are likely to face a multitude of health and medical issues such as preventive care and maintenance, orthopedic, anti aging issues etc.*

*Lifestyle Changes: Demographics and lifestyles of these target markets will mean a marked increase in demand for cosmetic surgery, spas, retirement communities, fitness centers, and addiction treatment centers.*





**Figure 4.3: Influences in market development of “New Health Tourism“**  
(Source: Claudia Wagner,2011)

In this context health tourism activities are very important in terms of income to the host countries' economy. The thermal tourism is the most profitable and income generating type of tourism, since visitors stay a longer period for cures (around 7 - 21 days) than the other visitors who come for cultural or coastal tourism. Thermal tourism can be evaluated as an important investment area for Turkey.

Thermal tourism is a significant tourism type, which helps to improve people's health condition by providing a complementary therapy and also allows many recreational activities for the visitors. Taking the waters used to be a popular treatment for a wide range of diseases in classical times and it was increasingly prescribed under medical direction in time (Tubergen, 2002).

The latest trends show that the modern consumer becomes more and more health conscious and therefore likes to use holidays for improving the physical and mental condition with spa and wellness tourism. Therefore wellness tourism has become a very trendy tourism segment again with high potential of continuous growth. It is nowadays recognized as a good alternative to conventional tourism since; it does not depend on seasons and has a very good image within the society that gives increasing



importance to “quality of life”. Many European National Tourist Organizations have started to use wellness as a theme for their destination marketing.

The growing significance of what we broadly term health, spa or thermal tourism, is clearly evident even on a global scale and this is fully recognized by the European Union (Bakucz & Klech, 2009). It is, therefore, logical that Turkey’s current tourism development strategy focuses on natural resource-based potential of the regions where geothermal potential is high with tourism potential.

#### **4.5.2. General Evaluation of Foreign Thermal Resorts**

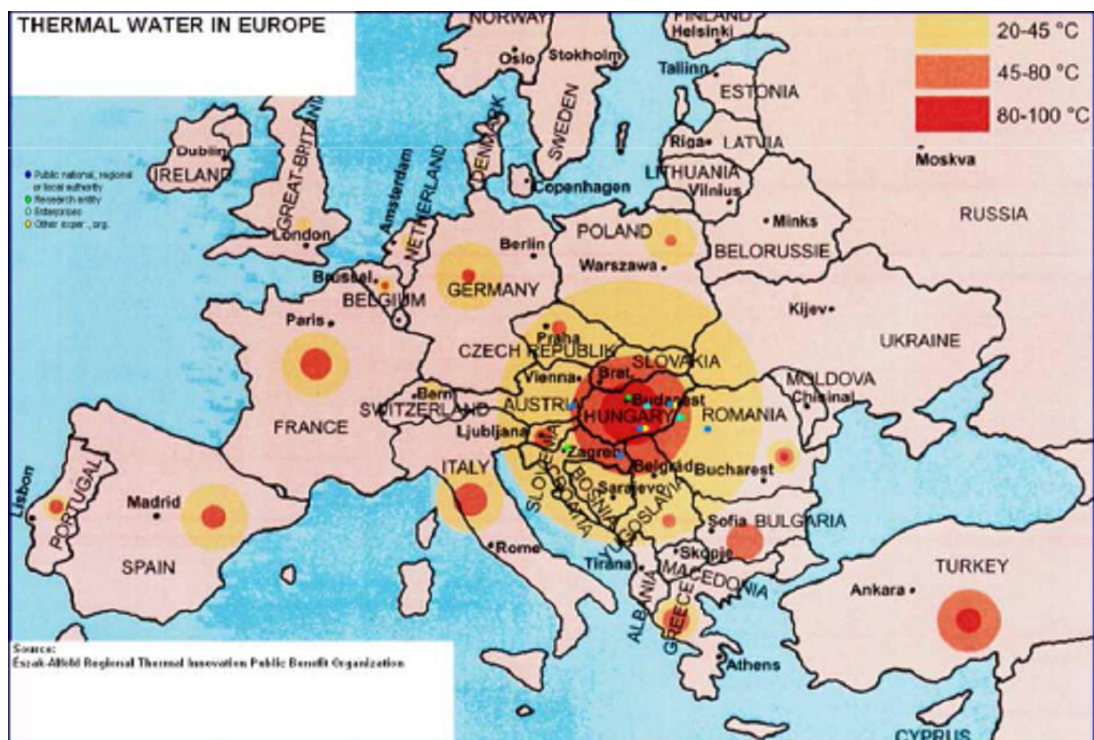
Thermalism has marked Europe from ancient times to present days. The most famous sites were born during the 19th Century and new medical practices linked to the waters developed along with new architectural styles. At present thermalism is again on the move: to the traditional hydrotherapeutic treatments new "Wellness centers" are added. Thermalism is also recognized as a practice which boosts the return to a healthier way of life where knowledge and safeguard of architectural and natural heritage contribute to a better quality of life (Council of Europe, 2010)

According to ESPA (2010), development of the spa industry within Europe is founded on the interest of people from the earliest times in mineral springs that differed from ordinary springs in their appearance, taste and temperature. Following European tradition, in the past, and especially in the first half of the last century, the spa industry developed in mutual interdependence with the state overall, as society in the individual countries has developed.

Especially the spread of thermal waters across East Central Europe makes a remarkable and encouraging map since the natural potential for development away from main centers and in peripheral areas clearly meets the need for combating regional disparities. Spas were the target of central investment during the Socialist era and large numbers of the population had access to them and to their facilities with Trade Union Holiday Homes providing accommodation in many spa locations, as well as in other traditional tourist destinations in the country (Bakucz, 2012).

There are many countries, such as Germany, Hungary, Italy, Czech Republic and Slovakia in East Central Europe, health tourism and wellness tourism are usually taken as one single comprehensive concept that is based mainly on the use of thermal water and natural resources.

This relates to a field of tourism where the primary motivation of tourists is to improve and preserve their health for the sake of their cure during stay at the destination.



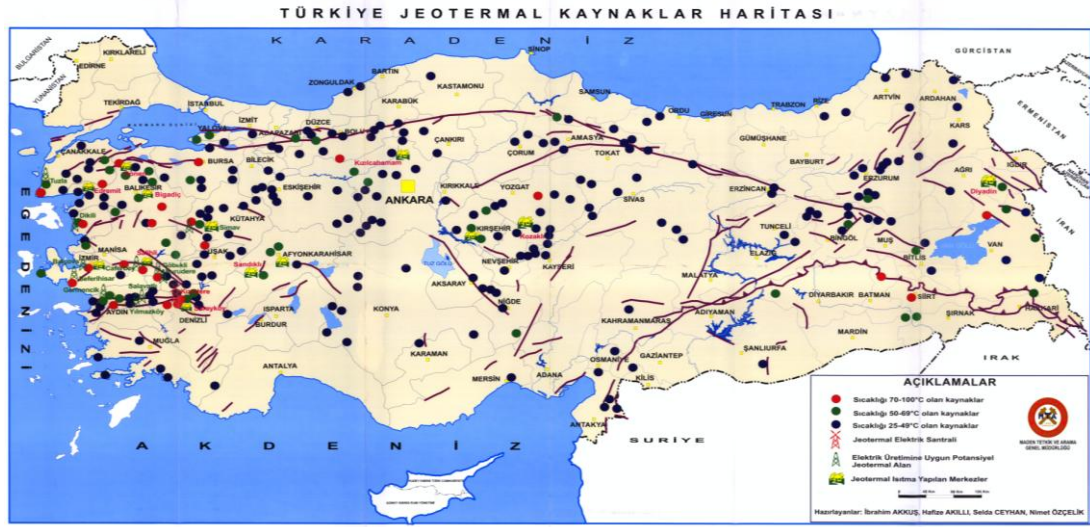
**Figure 4.4: Thermal Water in Europe** (Source: Bakucz, 2010)

Today, within European countries, Germanic civilizations countries, German, Austria and Switzerland have been constituted a solid and vanguard block of thermal conception and, the fact that Germany is recognized as the first European country in thermal resorts issues with high frequency levels, as well as, diversification services offered (Ramos&Santos, 2005).

#### 4.5.3. Potential and Utilization of Geothermal Resources In Turkey

Turkey, due to wide spreads of geothermal system elements, has placed herself among the world's richest countries and holds the first place in the European countries, as geothermal energy potentials (Akkuş et al, 2005).

As seen on the Figure 4.7, geothermal resources are generally located in Aegean, Marmara, and Middle Anatolia regions.



**Figure 4.7: Turkey Geothermal Resources** (Source: MTA, 2007)

In Turkey, the natural springs provide a wide range of usage from fish farms to industrial applications. However, a significant part of this potential is used in thermal tourism, therapeutic uses and district heating. There are 190 fields determined by exploration studies up to now. Electricity production can be done in 20 fields and 106 fields can be used to heating. Rest of the fields may be used for thermal tourism and balneology. According to production data of MTA drillings, approximately 130 fields have usable potential reaching up to 3650 MWt. This potential will be much more with wells drilled by some companies of those production values that were not registered in official records. Turkey is located within the first 5 after China, Japan, The United States and Iceland in direct usage of geothermal energy (Akkuş, 2012).

Being at the important geothermal zone, Turkey has more than 1300 geothermal resources whose temperatures are between 20-110 °C and flow rates are between 2-500 liter/second. Turkey has around 100 qualified thermal accommodation facilities and many other daily use facilities in over 40 provinces.



**Figure 4.8: Thermal Tourism Counties in Turkey** (Source: MOCT, 2007)

Thermal spas are spread all over Turkey, Aegean Region, Marmara and Central Anatolia, the regions with most thermal spa. The cities with important thermal spa potential can be sorted as İzmir, Afyon, Balıkesir, Ankara, Bursa, Eskişehir, Kütahya, Yozgat, Kırşehir, Amasya, Samsun, Hatay, Sivas, Çanakkale, Aydın.

All these thermal spa centers treat rheumatism mainly. However, due to positive influence of thermal spa cure on health in general, many people visit thermal spa with a traditional approach for treatment of various chronic diseases or for supportive effect apart from rheumatism (Karagülle, 2007)

#### **4.5.4. Thermal Tourism Potential of Turkey**

The use of natural thermal and mineral waters for maintaining and improving health is a continuing tradition in Turkey, as well as in Europe. The sources of thermal waters were called “kaplıca” (thermal place) in Turkish.

According to Hoheb (2007) thermal tourism emerges from an oldest and most basic usage type of geothermal sources dates to 5000 years ago. People use thermal waters for healing purposes in the early days of the history in Greece, Italy and Egypt. There were communities such as Phrygians, Hittites, and Helens who benefited from thermal waters in Anatolian (Oğuz et al, 2010).

Turkey is in the first position in the world and fifth position with its rich geothermal resources which is around 1300. It stands on an important geothermal energy line and the resources are in good quality in terms of flow rate, heat, physical features and chemical mineral content. These sources, widely spread over the country, are generally of self-spring type, with a high percentage of dissolved mineral salts and different physio-chemical compositions and of high flow rate (Dal, 2007).

Thermal springs and baths play an important part in complementary medicine which combines various fields and methods for curing such as mineralized thermal water bath, drinking and inhalation sources, mud baths and the complimentary therapies like climate cure, physiotherapy, rehabilitation, mecanotherapy, exercise, psychotherapy and diet (Karagülle, 2008). Thus, thermal tourism emerges as a branch of health tourism that provides benefits both for health and recreation and requires services and facilities for accommodation and cures.

Geothermal capacity is accepted the one of the most important factors of health tourism as an alternative tourism in Turkey by Ministry of Culture and Tourism. Therefore, it is given priority to reveal the existing potential of thermal resources to enable their sustainable use for the regional development. Therefore, in order to develop this alternative tourism 34 thermal areas were announced as “thermal tourism centers” by the Ministry of Culture and Tourism by the end of 2005.

However, according to Ministry of Culture and Tourism (2007), there are around 190 thermal facilities in 46 provinces of Turkey and use of thermal energy resources for tourism purposes is only 1% which is quite insufficient in comparison of the potential resources.

According to statistics of MoCT (2012), there are 81 thermal tourism accommodations or facilities, which are licensed by ministry of culture and tourism, in 28 provinces with 27.666 bed capacity opened up to now in order to get benefit geothermal source through tourism. (See Table 4.4 and Table 4.5)

Most of taking advantage of thermal tourism in these provinces, which has a bed capacity, respectively, have been Afyonkarahisar, İzmir, Denizli, Balıkesir and Ankara.

**Table 4.4: The First Five Provinces With The Most Beds**

Rank	Province	Bed Capacity
1	Afyonkarahisar	6.882
2	İzmir	5.026
3	Denizli	2.836
4	Balıkesir	2.302
5	Ankara	1.976

**Source:** MoCT, 2012



**Table 4.5: Tourism Licensed Thermal Accommodations and Facilities (2012)**

RANK		PROVINCE	FACILITY NAME	TYPE	STAR	ROOM	BED CAPACITY	
1	AFYONKARAHİSAR	AFYONKARAHİSAR	KOREL THERMAL HOTEL	HOTEL	5 STAR	329	780	6882
2		AFYONKARAHİSAR	THERMAL RESORT ORUÇOĞLU	HOTEL	5 STAR	306	624	
3		AFYONKARAHİSAR	İKBAL THERMAL HOTEL	THERMAL HOTEL	4 STAR	286	572	
4		AFYONKARAHİSAR	SANDIKLI THERMAL PARK HOTEL	THERMAL HOTEL	5 STAR	188	380	
5		AFYONKARAHİSAR-Y	FUAR THERMAL	HOTEL + THERMAL	4 STAR	418	984	
6		AFYONKARAHİSAR-Y	SAFRAN AQUA RESORT SPA&THERMAL KAPLICA	THERMAL HOTEL	4 STAR	320	648	
7		AFYONKARAHİSAR-Y	SUENO THERMAL HOTEL	THERMAL HOTEL	4 STAR	200	400	
8		AFYONKARAHİSAR-Y	SİDAR THERMAL HHOTEL & SPA	THERMAL HOTEL	5 STAR	305	640	
9		AFYONKARAHİSAR-Y	PALAS PREMIUM THERMAL SPA CENTER	THERMAL HOTEL	5 STAR	123	286	
10		AFYONKARAHİSAR-Y	ALİLA ROYAL THERMAL RESORT HOTEL	THERMAL HOTEL	5 STAR	193	672	
11		AFYONKARAHİSAR-Y	ALİLA ROYAL THERMAL RESORT HOTEL	THERMAL HOTEL	5 STAR	138	456	
12		AFYONKARAHİSAR-Y	KIRKPINAR THERMAL HOTEL	THERMAL HOTEL	5 STAR	220	440	
13	AMASYA	AMASYA	GÖZLEK THERMAL TESİSLERİ	HOTEL + THERMAL	2 STAR	28	63	
14		AMASYA	HAMAMÖZÜ THERMAL HOTEL	THERMAL HOTEL	3 STAR	63	126	
15	ANKARA	ANKARA	PATALYA THERMAL RESORT	HOTEL	4 STAR	157	315	1976
16		ANKARA	ABUHAYAT RESORT HOTEL	HOTEL + THERMAL	3 STAR	93	203	
17		ANKARA	SARAÇOĞLU THERMAL HOTEL	THERMAL HOTEL	2 STAR	34	68	
18		ANKARA	DOKTORUN YAŞAM HOTEL	THERMAL HOTEL	3 STAR	36	72	
19		ANKARA	ŞİFA HAYAT SUYU KAPLICA HOTELİ	THERMAL HOTEL	3 STAR	52	114	
20		ANKARA	BAŞAK THERMAL HOTEL	THERMAL HOTEL	4 STAR	111	226	
21		ANKARA	ASYAFIN	THERMAL HOTEL	5 STAR	94	190	
22		ANKARA-Y	SOĞUKSU MİLLİ PARKI ÇAM HOTEL	THERMAL HOTEL	5 STAR	198	396	
23		ANKARA-Y	ŞAHİNLER HOTEL	THERMAL HOTEL	5 STAR	176	392	
24	ANTALYA	ANTALYA	TÜRKİZ HOTELİ	HOTEL	5 STAR	152	324	484
25		ANTALYA-Y	RAINBOW CLUB HHOTEL	HOTEL+THERMAL	3 STAR	80	160	
26		AYDIN	NATUR-MED	THERMAL HOTEL	3 STAR	55	116	
27	BALIKESİR	BALIKESİR	ADRAMIS THERMAL HOTEL	HOTEL	4 STAR	66	132	2302
28		BALIKESİR	GÖNEN KAPLICA HOTELİ	THERMAL HOTEL	4 STAR	207	414	
29		BALIKESİR	GÜRE SARUHAN THERMAL HOTEL	THERMAL HOTEL	4 STAR	122	271	
30		BALIKESİR	ADRINA HEALTH & SPA HHOTEL	THERMAL HOTEL	5 STAR	246	503	
31		BALIKESİR	ASYA PAMUKÇU THERMAL	THERMAL HOTEL	5 STAR	85	218	
32		BALIKESİR-Y	HATTUŞA ASTYRA THERMAL	THERMAL HOTEL	5 STAR	376	764	
33		BATMAN	BATO THERMAL HOTEL	THERMAL HOTEL	4 STAR	59	118	
34	BOLU	BOLU	BOLU THERMAL HOTELİ	THERMAL HOTEL	4 STAR	77	164	
35		BOLU-Y	SAROT KOZA THERMAL HOTEL	THERMAL HOTEL	4 STAR	74	152	
36	BURSA	BURSA	KERVANSARAY THERMAL HOTELİ	HOTEL	5 STAR	211	422	1207
37		BURSA	GÖNLÜFERAH HOTELİ	THERMAL HOTEL	4 STAR	70	139	
38		BURSA	MARIGOLD THERMAL HOTEL&SPA	THERMAL HOTEL	5 STAR	120	246	
39		BURSA	ÇELİK PALAS THERMAL& SPA HOTEL	THERMAL HOTEL	5 STAR	164	328	
40		BURSA	HUZUR	HOTEL	2 STAR	19	42	
41		BURSA	KARAMUSTAFA HOTEL	HOTEL	2 STAR	15	30	
42		ÇANAKKALE	KIRKGEÇİT THERMAL RESORT HOTEL	THERMAL HOTEL	3 STAR	44	88	
43	ÇORUM	ÇORUM	ÇORUM THERMAL PENEZ HOTEL	THERMAL HOTEL	4 STAR	63	126	
44		ÇORUM-Y	TEZ HOTEL	THERMAL HOTEL	4 STAR	99	212	
45	DENİZLİ	DENİZLİ	RICHMOND PAMUKKALE THERMAL HOTEL	HOTEL	4 STAR	315	642	2836
46		DENİZLİ	LYCUS RIVER HOTELİ	THERMAL HOTEL	4 STAR	272	544	
47		DENİZLİ	POLAT THERMAL HOTEL	THERMAL HOTEL	4 STAR	252	504	
48		DENİZLİ	UMUT THERMAL HOTEL	THERMAL HOTEL	4 STAR	106	212	
49		DENİZLİ	PAM THERMAL HOTEL	THERMAL HOTEL	5 STAR	236	472	
50		DENİZLİ	COLOSSEA HHOTEL THERMAL	THERMAL HOTEL	5 STAR	231	462	

Table 4.5 (continued)

51	İZMİR	HATAY	ANTAKYA OTTOMAN PALACE	THERMAL HOTEL	5 STAR	252	504	
52		İSTANBUL	TUZLA İÇMELER HOTELİ	HOTEL	1 STAR	47	104	
53		İZMİR	BALÇOVA THERMAL HOTEL	HOTEL	4 STAR	204	408	5026
54		İZMİR	RADISSON BLU RESORT & SPA ÇEŞME	HOTEL	5 STAR	312	636	
55		İZMİR	ALTINYUNUS TATİL KÖYÜ	HOLIDAY VILLAGE	5 STAR	465	1080	
56		İZMİR	İLİCA SPA & THERMAL	THERMAL HOTEL	5 STAR	256	548	
57		İZMİR	KAYA İZMİR THERMAL&CONVENTION HHOTEL	THERMAL HOTEL	5 STAR	316	636	
58		İZMİR	SHERATON ÇEŞME RESORT&SPA	THERMAL HOTEL	5 STAR	398	942	
59		İZMİR	CROWNE PLAZA İZMİR HOTEL	THERMAL HOTEL	5 STAR	219	444	
60		İZMİR-Y	AYASANDRA THERMAL HOTEL	THERMAL HOTEL	4 STAR	83	332	
61	KIRŞEHİR	KIRŞEHİR	BÜYÜK HOTEL TERME	THERMAL HOTEL	3 STAR	132	264	
62		KIRŞEHİR-Y	ARTEKS THERMAL HOTEL	THERMAL HOTEL	5 STAR	200	418	
63	KÜTAHYA	KÜTAHYA	GÜRAL HARLEK THERMAL	SPECIAL ACCOMODATION		98	200	
64		KÜTAHYA	YONCALI THERMAL HOTEL	THERMAL HOTEL	3 STAR	73	150	
65		MANİSA	HOTEL LİDYA SARDES THERMAL &SPA	THERMAL HOTEL	4 STAR	123	292	
66		MUĞLA	SPA HHOTEL CLUP THERMEMARIS	HOTEL	4 STAR	72	153	
67	NEVŞEHİR	NEVŞEHİR	YAPİSEL HOTEL	THERMAL HOTEL	2 STAR	60	120	1802
68		NEVŞEHİR	KOZAKLI GRAND THERMAL HOTEL	THERMAL HOTEL	4 STAR	152	308	
69		NEVŞEHİR	THERMALYA THERMAL HOTEL	THERMAL HOTEL	4 STAR	128	332	
70		NEVŞEHİR	DADAK THERMAL SPA & WELLNESS HHOTEL	THERMAL HOTEL	4 STAR	89	178	
71		NEVŞEHİR	ROSA RESORT HOTELİ	THERMAL HOTEL	5 STAR	230	864	
72		NİĞDE-Y	NARLIGÖL THERMAL HOTELİ	THERMAL HOTEL	4 STAR	67	134	
73		RİZE	KAPLICA TESİSLERİ FİZİK VE REHABİLİTASYON MERKEZİ	SPECIAL FACILITY				
74		SAKARYA	İHLAS KUZULUK THERMAL	HOTEL	3 STAR	65	130	
75	SAMSUN	SAMSUN	ANCERE THERMAL HOTEL	THERMAL HOTEL	4 STAR	81	163	
76		SAMSUN	MAARİF HOTEL	HOTEL	2 STAR	24	48	
77		TUNCELİ	PERTEK THERMAL HOTEL	THERMAL HOTEL	3 STAR	18	36	
78	YALOVA	YALOVA	T.C.SAĞLIK BAKANLIĞI KAPLICALARI	SPECIAL ACCOMODATION		88	200	
79		YALOVA	LİMAK THERMAL BOUTIQUE HOTEL	BOUTIQUE HOTEL		48	96	
80	YOZGAT	YOZGAT	MEHMETOĞULLARI	HOTEL	3 STAR	63	126	
81		YOZGAT-Y	DEDEMAN CAVLAK THERMAL&SPA	THERMAL HOTEL	5 STAR	422	968	
TOTAL BED CAPACITY:							27666	

Source: MoCT, 2012

Considering the richness of geothermal resources with the tourism potential of Turkey, in accordance with the Turkey Tourism Strategy's goals that increasing the tourism revenue and number of tourists, "Thermal Tourism Master Plan" came to the fore with the policy to diversify tourism and spread of twelve months.



#### **4.6. Thermal Tourism Master Plan**

Tourism master plans are accepted by useful tools to identify areas with tourism potential for determining tourism strategy. According to master plans, government can take decision structuring the provision of infrastructure. With this plans, investment promotion, financial and other incentives can be granted by governments to ensure tourism development strategies such as local economic development.

The workout done by the Ministry in parallel with Turkey Tourism Strategy for the thermal tourism, which results in an increase in the tourism revenues and helps regional development, is one of the most important projects for the diversification of the tourism activity in the country. With this project, a new approach and concept has tried to be developed other than the conventional thermal approach for the usage of sustainable and renewable geothermal resources more efficiently.

In order to improve thermal tourism, raising both the number of globally competitive qualified institutions that are integrating cure parks, cure centers and accommodation facilities; and the number of tourists and tourism incomes is targeted. In addition to this, institutions that are giving service for all year including recreation, entertainment, and relaxation and sports facilities besides using thermal water for only washing are tried to be constituted.

The Thermal Tourism Master Plan 2023 has been prepared in aiming to integrate alternative tourism types such as thermal facilities, thalasso (sea cure) tourism, golf, nature tourism, water sports etc. and to relate these with surrounding cultural and natural values.

Information to be obtained as a result of these studies and experiences will be expanded across the country. Facilities mainly the thermal sources and golf, natural tourism, water sports, etc. are taken into consideration to develop each of these regions as destinations.

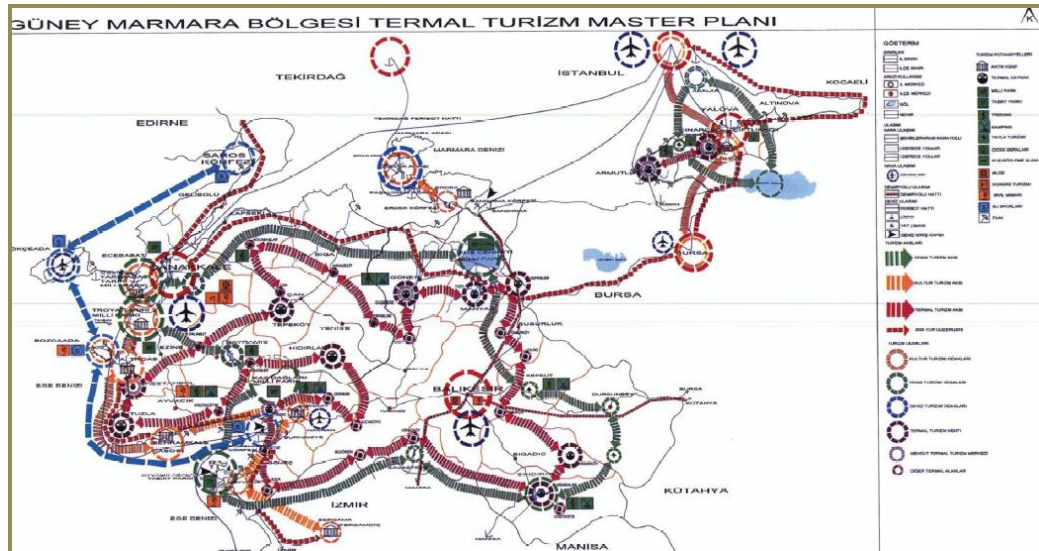
Within the context of Thermal Tourism Master Plan, that initiated in 2007 for this purpose by the Ministry, Turkey geothermal potential has been identified and new

areas planning for new investments in these areas continues. While the identifying of these regions and provinces many criteria were taken into consideration such as geographical integrity of geothermal resources besides transport opportunities, national and international importance including cultural and natural values that integrated with thermal tourism and suitable climatic conditions.

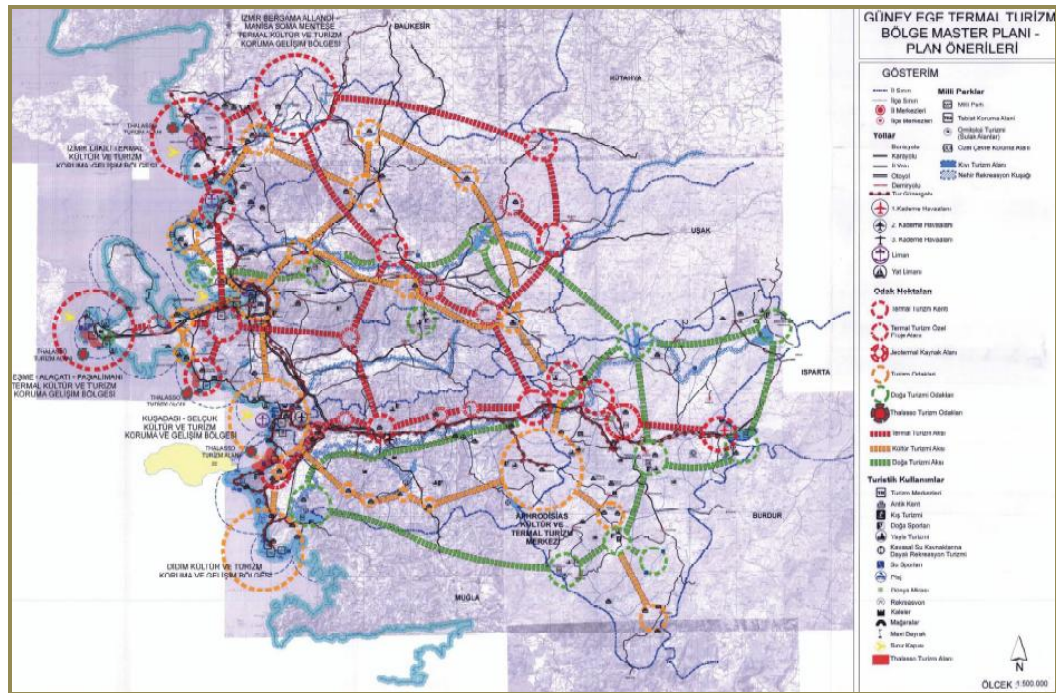
The Thermal Tourism Master Plan 2007-2023 to ensure planned development of the tourism potential of geothermal resources are concentrated in the Southern Aegean, Southern Marmara, Central Anatolian Phrygia and the regions identified as priority in the development of thermal tourism. There are four regions defined as the most priority regions to develop for health and thermal tourism in Turkey (See Figure 3.9).



**Figure 4.9: Defined Regions with the Thermal Tourism Master Plan** (Source: MOCT, 2007).

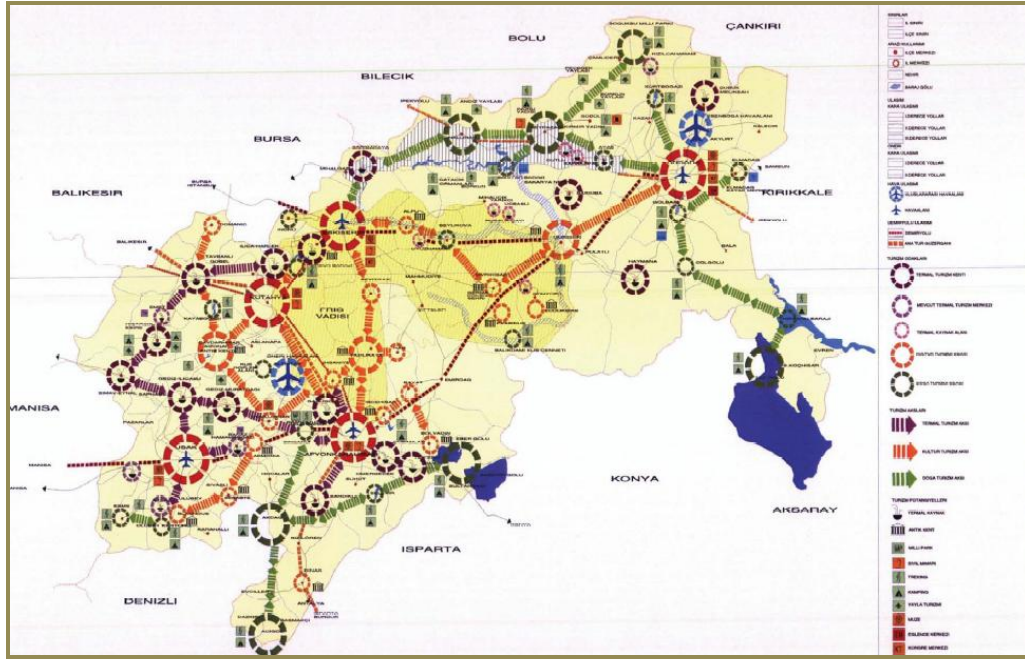


**Figure 4.10: South Marmara Thermal Master Plan: Balıkesir, Çanakkale, and Yalova (Source: MOCT, 2007).**

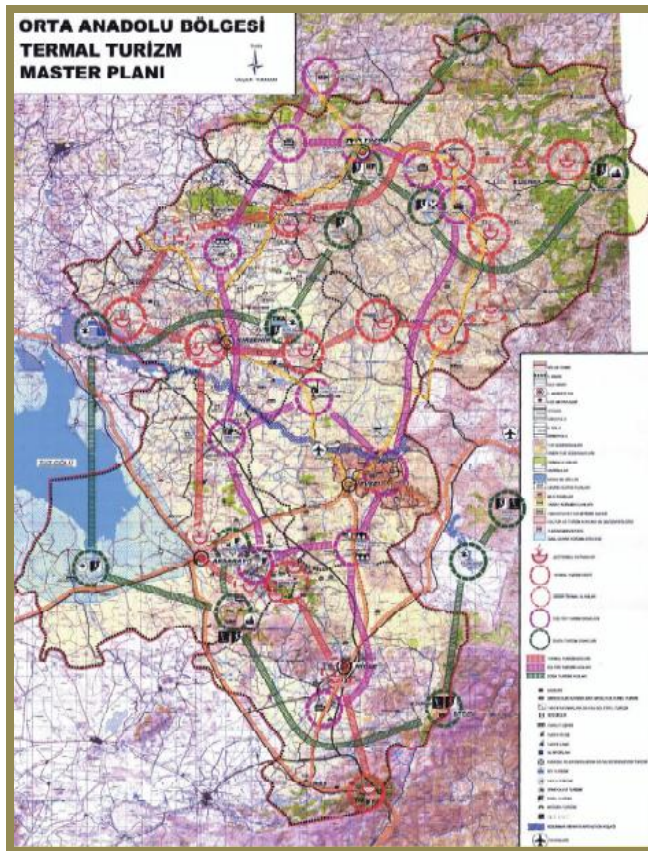


**Figure 4.11: South Aegean Thermal Tourism Master Plan: Aydın, Denizli, Manisa, and İzmir (Source: MOCT, 2007).**





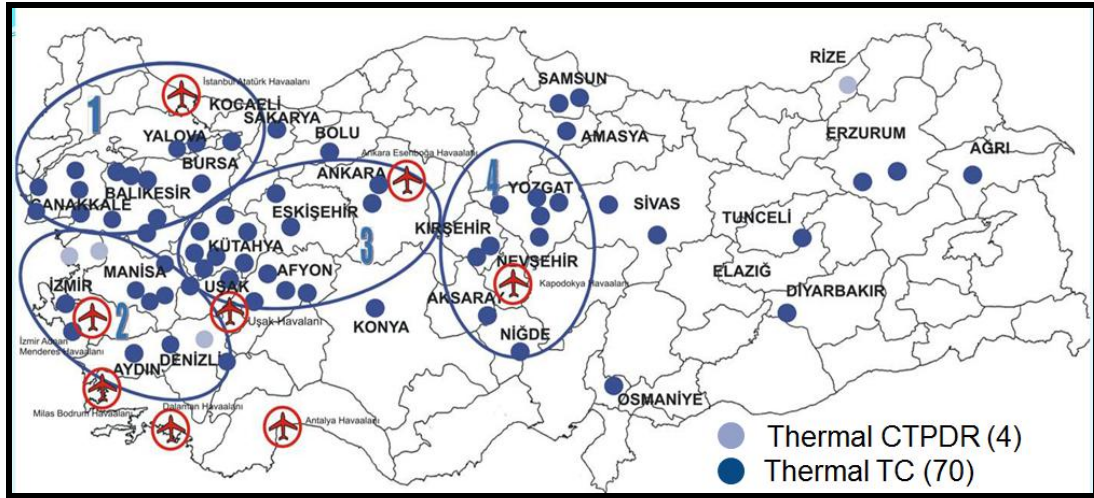
**Figure 4.12: Phrygian Thermal Tourism Master Plan: Afyonkarahisar, Ankara, Uşak, Eskişehir and Kütahya (Source: MOCT, 2007).**



**Figure 4.13: Central Anatolia Thermal Tourism Master Plan (Source: MoCT, 2007).**

Since the day of entry into force of the master plan, in addition to the 34 tourism center which was declared between 1982 to 2005, as result of work done on the basis of the regions above mentioned, 36 new Thermal Tourism Center and 4 Thermal Culture and Tourism Protection and Development Regions has been declared with a priority potential.

Hereby, there are totally 70 thermal tourism zones are declared as “tourism centers (TC)” and 4 thermal regions announced as “culture and tourism protection and development regions (CTPDR)” by the Ministry of Culture and Tourism with the tourism incentive act of 2634. (Figure 3.14)



**Figure 4.14: Thermal CTPDR and TC** (Source: MOCT, 2007).

**Table 4.7: Thermal CTPDR (KTKGB) and TC (TM)**

1	Afyonkarahisar-Heybeli Termal TM	41	Kocaeli Gölçük Yazlık Termal TM
2	Afyonkarahisar-Ihsaniye Gazlıgöl Termal TM	42	Konya Ilgın Termal TM
3	Afyonkarahisar-Ömer Gecek Termal TM	43	Kütahya Hisarcık Esire Termal TM
4	Afyonkarahisar-Sandıklı Hüdai Termal TM	44	Kütahya Tavşanlı Göbel Termal TM
5	Ağrı-Diyadin Termal TM	45	Kütahya-Emet Termal TM
6	Amasya-Terziköy Termal TM	46	Kütahya-Gediz Ilıcasu TM
7	Ankara-Haymana Termal TM	47	Kütahya-Gediz Muratdağı Termal TM
8	Ankara-Seyhamamı Termal TM	48	Kütahya-Ilıca Harlek Termal TM
9	Aydın Buharkent Termal TM	49	Kütahya-Simav Eynal-Çitgöl Naşa Termal TM
10	Aydın Tralleis Termal TM	50	Manisa Demirci Hisar Termal TM
11	Balıkesir Balya Şifa Termal TM	51	Manisa Kula Emir Termal TM
12	Balıkesir- Bigadiç Hisarköy Termal TM	52	Manisa Salihli Kurşunlu Termal TM
13	Balıkesir Gönen Termal TM	53	Manisa Turgutlu Urganlı Termal TM
13	Balıkesir Gönen Ekşidere Termal TM	54	Nevşehir Kozaklı Termal TM
14	Balıkesir Manyas Kızık Termal TM	55	Niğde Aksaray Narlıgöl Ilısu Termal TM
15	Balıkesir Sındırgı Hisaralan Termal TM	56	Niğde-Çiftahan Termal TM
16	Balıkesir Susurluk Kepekler Termal TM	57	Osmaniye-Haruniye Termal TM
17	Balıkesir-Edremit Güre Termal TM	58	Rize-Çamlıhemşin Ayder KTKGB
18	Balıkesir-Gönen Termal TM	59	Sakarya Akyazı Kuzuluk Termal TM
19	Bingöl Ilıcalar Termal TM	60	Samsun Havza Mevcut Kaplıca TM
20	Bolu-Karacasu Termal TM	61	Samsun_Havza 25 Mayıs Termal TM
21	Bursa Dağyenice Termal TM	62	Sivas Kalkın Balıklı Kaynak Termal TM
22	Bursa Mustafakemal Paşa Tümbüldek Termal TM	63	Sivas-Kangal Balıklıçermik Termal TM
23	Çanakkale Çan Etli Tepeköy TM	64	Sivas-Sıcak Çermik Termal TM Tevsii
24	Çanakkale Yenice Hıdırlar Termal TM	65	Tokat Reşadiye Zinav Termal TM
25	Çanakkale-Aycacık Tuzla Termal TM	66	Uşak Banaz Hamamboğazı Termal TM
26	Çanakkale-Ezine Kestanbol Termal TM	67	Uşak Örencik Termal TM
27	Denizli Çardak Beylerli-Burdur Akgöl Termal TM	68	Yalova Armutlu Termal TM
28	Denizli Termal KTKGB	69	Yalova-Termal TM
29	Diyarbakır-Çermik Termal TM	70	Yozgat Sarıkaya Gelişme Alanı Termal TM
30	Elazığ-Tunceli Golan Termal TM	71	Yozgat Sarıkaya Termal TM
31	Erzurum Olur Ilıkaynak Termal TM	72	Yozgat Sorgun Termal TM
32	Erzurum-IlıcaTermal TM	73	Yozgat Yerköy -Güven Kırşehir Çiçekdağ Bulamaçlı - Mahmutlu Termal TM
33	Erzurum-Pasinler Termal TM	74	Yozgat-Boğazlıyan Bahariye (Cavlak) Termal TM
34	Eskişehir Kızılınler Termal TM		
35	Eskişehir Mihalgazi Sakarılıca Termal TM		
36	İzmir Bergama Alliano-Manisa Soma Menteşe Termal KTKGB		
37	İzmir Dikili Termal KTKGB		
38	İzmir-Balçova Termal TM		
39	İzmir-Seferihisar Doğanbey Termal TM		
40	Kırşehir Terme Karakurt Termal TM		

**Source:** Data obtained from MOCT, 2012.

Belonging to this period of fifty pieces of the tourism centers 1:25.000 scale Environmental Plans approved and put into effect by Ministry of Culture and Tourism. Within these thermal zones, each one dealt with the plans as 'Thermal Tourism Destination' and 'Thermal Tourism Cities' development as intended to be integration with the tourism types, not only the health dimension of the thermal source in these areas (accommodation, cure-treatment center, and the cure park, etc.), but also especially golf, mountain and nature tourism, water sports, leisure centers that are provided in close proximity to relate with other cultural and natural values. For this purpose, the Ministry of Culture and Tourism launched the "Thermal Tourism Master Plan" country under the new sites, taking into account the geothermal potentials are being determined and the same principles of planning studies for new investments in these areas continues.

The master plan aims Turkey to be a major health and thermal tourism destination in the world by 2023. The Ministry of Culture and Tourism has short, medium and long term plans in this sense and a 50,000 bed capacity is planned to serve between 2007-2012 in short term while 100,000 bed capacity between 2012-2017 in medium term and 500,000 between 2017-2023 in long run.

Table 4.8 shows the significant change in number of bed capacity before and after the thermal tourism master plan. Between the years 2006-2010, total bed capacity in thermal tourism has reached to 33.840 that are close to target of master plan.

**Table 4.8: Thermal Tourism Bed Capacity of Turkey**

<b>Thermal Tourism Establishments</b>	<b>2006</b>		<b>2011</b>	
	<b>Number of Facility</b>	<b>Number of Beds</b>	<b>Number of Facility</b>	<b>Number of Beds</b>
Tourism Operation License	37	9.736	63	19.212
Tourism Investment License	8	2.438	18	8.454
Licensed by Municipality	33	5.593	35	6.174
<b>Total</b>	<b>78</b>	<b>17.767</b>	<b>116</b>	<b>33.840</b>

**Source:** MOCT, 2012

In other words, thermal accommodation bed capacity has been increased approximately 2 fold within a 5 year period. Short-term goals by the end of 2011 took place % 68. Considering the short-term target of 50.000 beds capacity in the year 2013 is thought to be achieved.

According to statistics of MOCT, the number of tourists coming to Turkey increased 78% from 2002 to 2007. Before period of Thermal Master Plan, a total of 155.000 visitors came to Turkey for health reasons in 2007. According to forecast of master plan, through agreements and cooperation with European insurance companies to send their patients to Turkey and cover their health expenditures; the expected number of foreigner visitors for health tourism will increase up to 1.000.000 per year for the future.

When statistics are examined, accommodations, which certified by the Ministry, received 760.634 visitors at the end of the 2010 and accommodations, which certified by municipality, received 335.488 visitors and total 1.096.122 people visited the country for the thermal accommodation facilities. However, this figure constitutes % 67 of domestic tourists. As can be seen from these figures the thermal accommodation facilities in Turkey continue to serve mainly domestic tourism. According to statistics, in terms of foreign visitors are expected to be reached has not achieved yet.

According to figures Japanese, German and Spanish visitors are the first ten countries for thermal accommodation facilities which are certificated by ministry. The other thermal accommodations which are municipal certified facilities was preferred mainly by German and French tourists.



**Table 4.9: Arrivals to Thermal Hotels (2010)**

<b>THE TOP TEN COUNTRIES ACCORDING TO MINISTRY CERTIFICATED THERMAL HOTELS Arrivals (2010)</b>		<b>THE TOP TEN COUNTRIES ACCORDING TO MUNICIPALITY CERTIFICATED THERMAL HOTELS Arrivals (2010)</b>	
<b>COUNTRY</b>	<b>Number Of Arrivals</b>	<b>COUNTRY</b>	<b>Number Of Arrivals</b>
JAPAN	87 365	GERMANY	25 294
GERMANY	50 988	FRANCE	5 716
SPAIN	26 883	POLAND	3 885
FRANCE	23 366	U.S.A	3 612
U.S.A.	20 394	SYRIA	1 163
S. KORE	11 729	SWEDEN	1 091
ITALY	11 202	BELGIUM	960
RUSIA	7 960	TURKMENISTAN	797
SYRIA	7 850	JAPAN	793
ENGLAND	5 770	ENGLAND	688
<b>DOMESTIC</b>	<b>457 909</b>	<b>DOMESTIC</b>	<b>279 065</b>
<b>FOREIGNER</b>	<b>302 725</b>	<b>FOREIGNER</b>	<b>56 423</b>
<b>GENERAL TOTAL</b>	<b>760 634</b>	<b>GENERAL TOTAL</b>	<b>335 488</b>

Source: MOCT, 2012

The investments in the area of thermal tourism in Turkey, particularly the integration of thermal hotels and cure centers are regarded as profitable investments which can pay themselves back within 3-4 years. Providing viability all year round and with treatment periods of at least 2-3 weeks and capability of integrating with other tourism types, thermal tourism provides the opportunity for creation of employment and equity between regions (TPM, 2010). Calculations based on the potential of Turkey's thermal regions, by Thermal Tourism Master Plan, show that Turkey has an investment potential of over 500.000 beds.

Considering the stay of duration, to ensure continued benefit from medical visit in the thermal plants, is averagely two or three weeks. While Norwegian tourists visit mainly for health purposes, others stayed for short periods to rest and recreation that is understood from the Figure 4.10.

**Table 4.10: Average Length of Stay (2010)**

<b>THE TOP TEN COUNTRIES ACCORDING TO MINISTRY CERTIFICATED THERMAL HOTELS Average Length of Stay (2010)</b>		<b>THE TOP TEN COUNTRIES ACCORDING TO MUNICIPALITY CERTIFICATED THERMAL HOTELS Average Length of Stay (2010)</b>	
<b>COUNTRY</b>	<b>Duration</b>	<b>COUNTRY</b>	<b>Duration</b>
NORWAY	11.2	KAZAKISTAN	9.6
ALBANIA	8.8	ALGERIA	7.0
MALTA	6.7	UKRAINA	6.4
BANGLADESH	5.7	LIBYA	6.0
BELARUS (B. RUSYA)	4.6	AZERBAIJAN	5.8
AZERBAIJAN	4.3	PORTUGUESE	3.4
KUWAIT	4.2	U.A.E	3.4
EGYPT	3.8	ROMANIA	3.3
BOSNIA AND HERZEGOVINA	3.7	ARJANTINA	2.7
TURKMENISTAN	3.4	IRAN	2.6
<b>DOMESTIC</b>	<b>2.1</b>	<b>DOMESTIC</b>	<b>2.1</b>
<b>FOREIGNER</b>	<b>1.3</b>	<b>FOREIGNER</b>	<b>1.3</b>
<b>GENERAL AVARAGE</b>	<b>1.8</b>	<b>GENERAL AVARAGE</b>	<b>1.9</b>

**Source:** MoCT, 2012.

To sum up, thermal centers and mineral springs as natural therapy centers have a traditional importance in Turkey. Therefore, this tradition points to a great potential demand in the area of domestic tourism as well as foreign tourism. Despite the characteristics of the market, only 5% of Turkey's thermal water potential is currently used. As a result, there is a significant gap between thermal water potential and the bed capacity.

Utilization of the tourism potential of Turkey particularly in the underdeveloped regions is expected to contribute to a balanced regional development and decrease the regional disparities significantly. Due to its unique nature in terms of high employment generation capacity and social interaction effect within and outside the region, the tourism sector is an effective and efficient tool to create a multiplier effect on the economic and social development of the underdeveloped regions.

Tourism is expected to solve unemployment problems, to improve the local economy and to reduce migration from the underdeveloped regions where only have natural resource-based tourism potential as geothermal. For such reasons central government support investment in tourism, since both the direct and indirect and induced effects of tourism in a local economy are visible even in the shorter term.

Through Thermal Tourism Master Plan, while increasing bed capacity, as a direct effect, investment in thermal tourism will create new job opportunities with the thermal hotel construction in underdeveloped regions where do not have another chance rather than thermal tourism capacity to create employment in Turkey.

## **CHAPTER 5**

### **METHODOLOGY**

This thesis attempts to analyze the role of thermal tourism capacity in the growth performance of local economy. This thesis differs from previous researches on LED by proving effects of thermal tourism capacity specifically for less developed district. With this in mind, the aim of this thesis is to reveal the importance of contribution of tourism capacity in the development of local economy of a small district, using evidence gathered from a case study.

#### **5.1. Reasons to Choose Termal District as the Case Area**

The research question of this thesis constitutes importance and role of thermal tourism in economy of less developed localities. Firstly, in order to answer this question tourism literature is analyzed in global and national level within the context of the local economic development. In addition to this, thermal tourism capacity of Turkey is summarized. Next, Thermal Tourism Master Plan of Turkey, which prepared by the Ministry of Culture and Tourism in January 2007, is reviewed. After making an assessment about where Turkey stands within the global market, the reasons of the why thermal tourism can be efficient tool for underdevelopment regions of Turkey are given. In the final section of the case study, thermal tourism planning is examined in terms of contribution to local economy.

Termal District of Yalova is selected as the case study of this thesis to evaluate the effects of thermal tourism in terms of local economic development.

## **5.2. Hypothesis**

In Turkey, there are not numerous opportunities to solve the economic and social problems especially in the inner parts of the offshore areas on the economic periphery, but without governmental help and the road will be a long one. However, one possibility in Turkey is to develop tourism in the countryside, and not simply in Yalova, since there are many unexploited resources throughout rural Turkey which can be used as main attractions.

Due to popularity of sea-sun-sand tourism (mass tourism), it is not given enough importance to thermal tourism. Thermal tourism is emerging as an important economic potential where there are lack of other sectors such as the coastal tourism, agriculture or industry to create employment for local economies.

I used the example of Termal District of Yalova (a small settlement of just 2,100 inhabitants near İstanbul metropolitan region with a population of 20 millions) for my study. I mainly analyzed the effects of tourism on the local economy. As a result of my research and studies, I can say that tourism is able to solve unemployment problems, improve the local economy and decrease the migration from the rural areas. Central Government should support tourism investments, since both direct and indirect effects of tourism on local economy are visible even in short terms.

I set the following hypotheses to evaluate the impact of thermal tourism:

- 1: As a direct effect, investments in thermal tourism will create new job opportunities within the periphery of settlements of Termal District.
- 2: I presume the very same effect will occur not only in the settlement of Termal District itself, but also in its economically peripheral due to a basic spill-over effect.
- 3: The investment in Termal District will act as a catalyst and produce an increase in revenue for the local municipality.
- 4: Also as a catalyst, investment in tourism will increase the range of services in Termal District.

5: Investment in the spa and hotel resort of Termal District will lead to further construction from further investment in the short-term.

6: Tourism development and new investment in tourism will together improve the infrastructure.

7: Higher employment, the consequent increase in domestic income and the results of economic integration will produce a higher standard of living in the village.

8: If hypotheses 3 to 7 are verified, that will mean greater competitiveness not only of the village but also of the Marmara region.

However, there are some obstacles to get data that necessitate making an assessment for case study area. Especially, lack of statistic by district level, which related to employment and sectorial data, is emerging as a major obstacle due to preparing statistics for only by NUTS2 level in integration process to EU in Turkey. Therefore, statistic data related to case study area such as employment, sectorial structure were obtained by field survey.

The case study chapter of this thesis employs both qualitative and quantitative research techniques. A diagram that depicts of the analyses and derivation of data is provided in Figure 5. Within the context of qualitative research, interviews and field survey have been conducted with representative of accommodation establishments and actors in order to assess effects of tourism on Termal District economy.

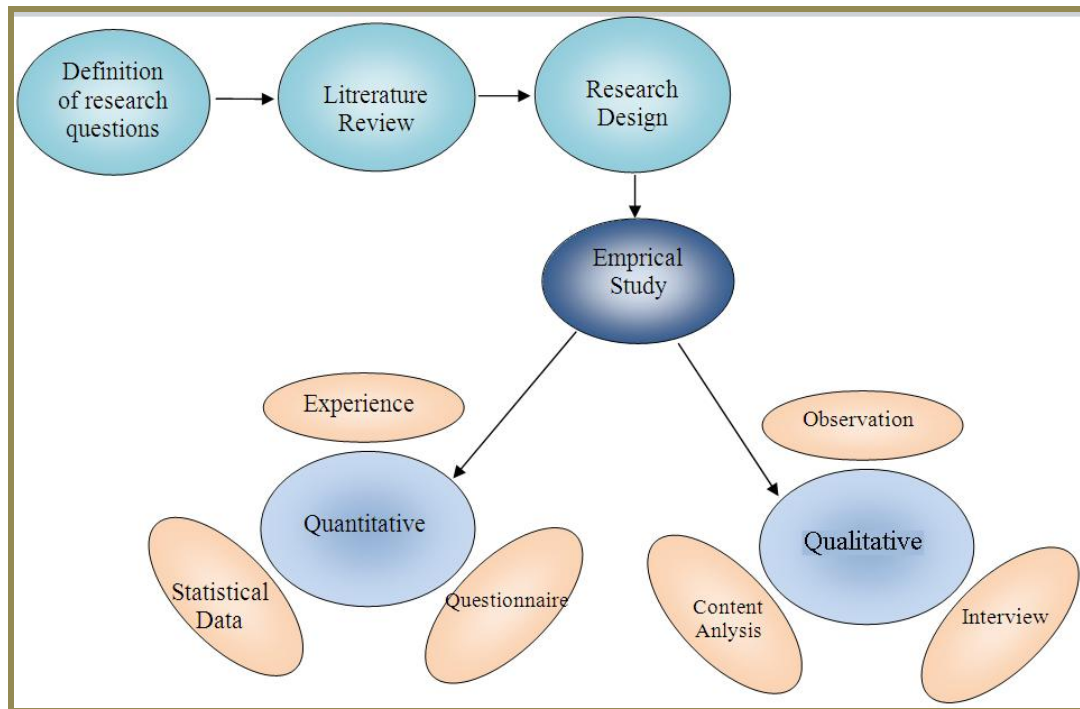


Figure 5: Research Process (Source: Adapted from Ramos&Santos, 2007).

The interviews, which carried out in the period of January-March 2012, have been source of primary data and information, referred mainly to the period 1983-2011.

The representatives of institutions interviewed with are;

- the Mayor of Termal District Municipality.
- the Governor of Termal District.
- the General Director of Termal District Hotel.
- the General Director of Limak Hotel.
- the General Director of Thermalium Hotel.
- the Director of Park Hotel.
- the Chairman of *Union of the Development and Maintaining of Culture and Tourism of Termal District*.

The questions asked during the interviews were determined and derived from the issues related to ‘effects of tourism on local economy’ discussed in the theoretical chapter. The interviews were semi-structured and were including open-ended questions.

First part of questions is related with the establishment itself, working field, establishment year and employment and so on. Especially, Termal Hotel Complex (Termal Hotel, amlık Hotel, ınar Hotel and three baths) which has the biggest capacity with almost 150 employments in Termal District was surveyed with details.

Termal Hotel Complex is the initiative for tourism-led LED. Surveys related to facilities and findings from the interviews are explained. 37 interviews were done with a variety of tourism establishments in the study area. These interviews related thermal tourism, which plays important role in the economy, focused on the economic structure of establishments such as “bed capacity, employment, interactions with other services, co-operation with the municipality” and linkages in terms of its impact.

Second part is concerned business performance and the employment issues of facilities, are investigated in terms of thermal tourism.

The third part of questions tries to investigate actors, whose activities impacted on the local economy, and to get their opinions whether “contribution of establishments on local” is exists or not. In this sense, it was asked whether the labours of the establishments are from Termal District or not.

The field survey were conducted overall the center of Termal District (Gökedere and Üvezpınar) included with a range of establishments located in. Surveys of different tourism establishments represented hotel, motel, pension, travel agency, real estate agent, restaurants, gift shops, markets and local product vendors. In terms of the size of hotel facility, the survey included three enterprises with 50 and upper rooms, nine enterprises with between 15–25 rooms and twenty four enterprises that have between 15 and lower rooms.

The biggest facility (as measured by room accommodation) was the Thermal Resort Hotel Complex, which consists of four part that are Thermal Hotel, amlık Hotel, ınar Hotel, Apartment Hotel, five baths and open thermal swimming pool for daily user in Termal District, which offers 350 bed capacity, the smallest facility in the survey was a home pension with three guest room.



The main theme in the facility survey related to their recent performance, bed capacity, employment, guest spending, length of stay of visitors and relations. The important issue is the relations of accommodations facilities with the other service sectors of the local economy.

## **CHAPTER 6**

### **EVALUATION OF EFFECTS OF THERMAL TOURISM ON LOCAL ECONOMY: THE CASE OF THERMAL DISTRICT OF YALOVA**

The District of Termal takes its name due to having rich thermal resources which one of the Turkey's best-known natural thermal spas. Termal District is a small district in Southern-Marmara Region of Turkey 1 hour from İstanbul and Bursa cities where nearly 20 million populations live in Turkey.

As in many parts of Turkey, tourism plays a crucial role in Termal District. With the capacity of 1.823 beds and there are more 10 indirect sectors such as travel agencies, in 2012. According to data of 2012, which compiled from province directorate of culture and tourism and directorate of district safety, Termal District was visited by about 140.000 tourist of which 40.000 foreign (mainly from Middle East Countries), and 100.000 local.

Termal District has only thermal tourism as a source of livelihood, also the absence of any alternative. Tourism has significant economic impacts for other regions as well as similar to Termal District. This situation convinces central government to develop tourism through incentives such as planning and public land allocation to tourism investors.

Therefore thermal tourism must be analyzed and understood within the framework of the tourism's contribution to local economic development and socio-economic transformation process of Termal District City Center. The role and the impact of thermal tourism on economy of less developed localities the core issues of this study. Accordance to main aim of this thesis, Termal District of Yalova is determined to evaluate of effects of thermal tourism on local economic development.

This case study purposes to assess the economic impacts of tourism activity either directly or indirectly by examining changes in demand and supply which affected policies and actions such as land use planning and incentives. This study also aims to reveal economic structure and interdependencies among sectors of the local economy.

## 6.1. Local Characteristics and Potentials of Termal District

Termal, which is a town and district of Yalova Province, is well-known with its hot springs in the Marmara region of Turkey. Thermal Baths of Yalova (Turkish: *Termal Kaplıcaları*) are located in 12 km. away from Yalova, about 80 km. away from Istanbul. Termal District, which gets its name from the Latin word *thermae*, has many thermal facilities and historic baths.

### 6.1.1. Geographical Position

Termal District of Yalova is the economic periphery of İstanbul in the Marmara Region. There are 3 settlements with 4.400 inhabitants (Turkish Statistical Institute, 2012) in this micro-region, giving an average population density of 109 inhabitants per square kilometers.

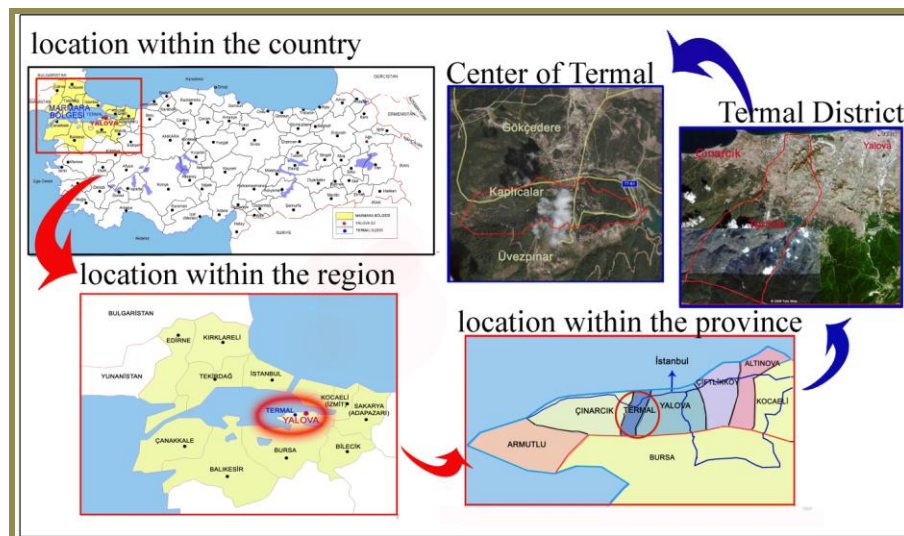
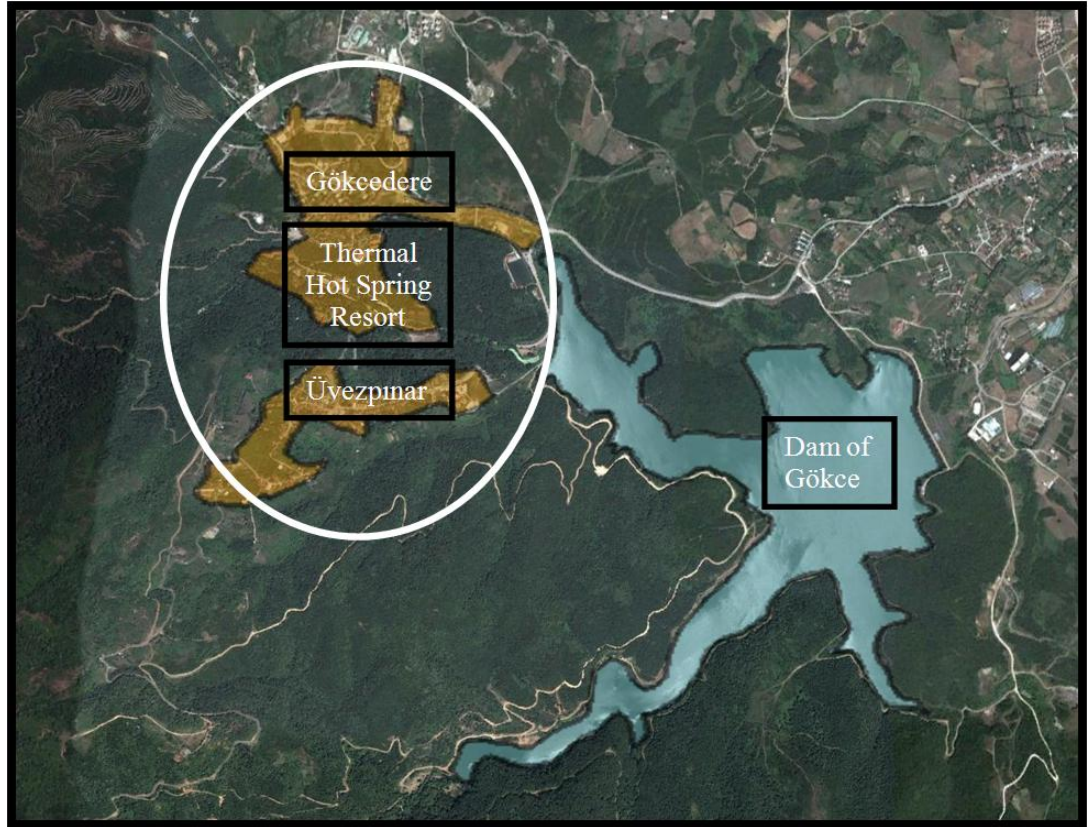


Figure 6.1: Location of Termal District in its Region and Turkey.

Termal District City Center is accepted as core of the district where thermal hot springs and accommodation facilities are consist of Gökçedere and Üvezpınar neighborhoods. Therefore, the case of study was conducted in the city center of Termal District (See Figure 6.2).

History of Termal District core is always an important tourism focus from past to present, however, the loss of productive agricultural land submerged by the Gökçe Dam, for drinking water, made the destruction of the agricultural sector led to a rise of tourism after 1980s and the development of tourism seemed to be the sole solution to economic development, unemployment and migration.



**Figure 6.2: Core of Termal District.**

### 6.1.2. Population

Termal District consists of 3 settlements which are City Center, Yenimahalle Village and Akköy Village. While the population of Termal District city center is 2,082 in 2011.

**Table 6.1: Cities, Towns and Villages of Termal District**

Unit	Status	Population
		2011
<b>Termal</b>	<b>City</b>	<b>2,082</b>
Yenimahalle	Village	1,111
Akköy	Village	1,707
Total		4,900

**Source:** TÜİK, 2012

### 6.1.3. Historical Background

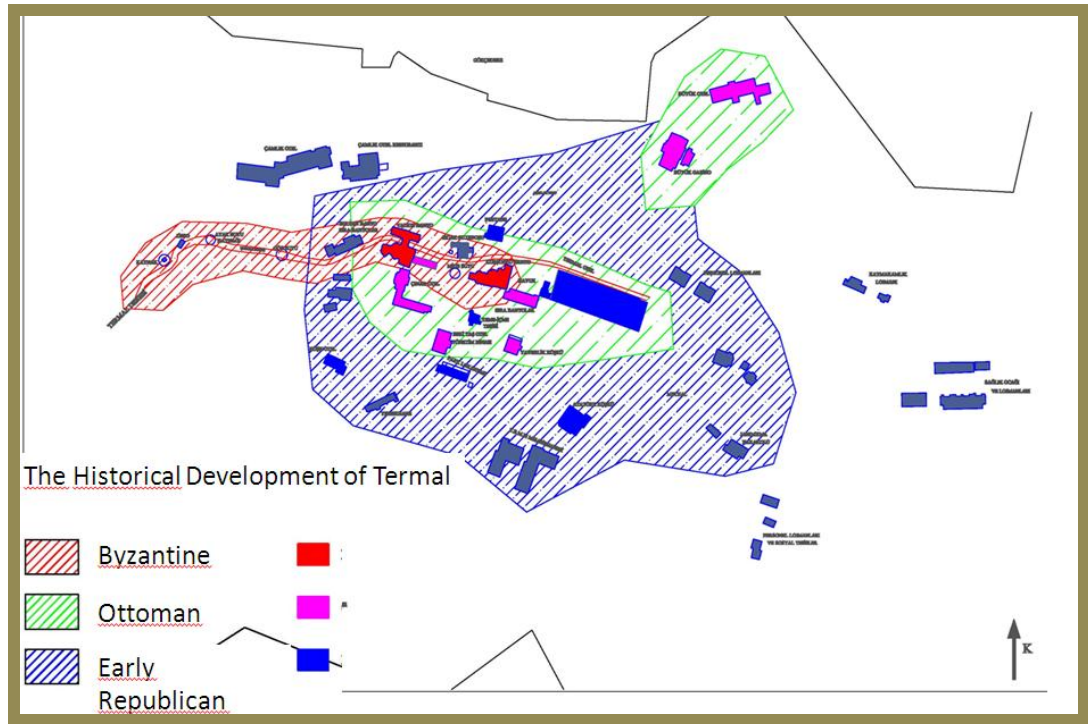
Yalova Thermal Hot Spring, situated in a valley between mountains and covered with a rare flora, is only 12km to Yalova city center. It's located in a forestland of 3600sqm. The first baths (hammams) in Thermal were built by the Byzantium Emperor Constantinus (312-337) about 1600 years ago. Subsequently, some other emperors of Byzantium built a lot of new facilities. When Ottomans conquered Yalova, Thermal was not very much appreciated for the capital city of the empire was Bursa which was famous for its hot springs.

During the period of Ottoman Empire, Sultan Abdülmecid (1831-1861) reconstructed Thermal and his mother Bezm-i Alem Valide Sultan's remarkable recovery from rheumatisms made Thermal much more famous. Thereupon, he built new villas, baths and reconstructed the roads.

The fame of Termal District increased again during the period of Sultan Abdülhamid II. (1876-1908). The first analysis of the hot spring water were made. New baths, villas, and casinos were built and all the historical buildings were restored during his

reign. In a very short time, Thermal became a world-wide-known health and entertainment place.

Later on, Thermal was hired and run by foreign investors for a period. However, with the break of the wars (Balkan War 1912-1913, World War I. 1918-1922, and Turkish War Of Independence) Thermal was completely desolated and neglected.



**Figure 6.3: Historical Development of Thermal Spa Area** (Adopted from Başoğlu, 2010)

Continuously, the hot waters have been used since antiquity. Today, the thermal structure of the Byzantine, the late Ottoman and early Republican era are still standing. Thus, therapeutic use of hot water with different spatial periods of historical analysis can be made. This analysis provides the area to ascertain the correct targets to be established from past to future (See Figure 6.3).

The destiny of Yalova Thermal Hot Springs changed with our great leader Atatürk's arrival in Yalova (19 August 1919). Atatürk, who admired Thermal, was very instrumental in its becoming a renowned health center and a water city. Thanks to



Atatürk's efforts, Thermal was reconstructed and revitalized by skillful craftsmen. Today, Yalova Thermal Hot Springs is a first-degree historical, archeological and natural sit area (WEB site of Yalova Termal District, 2012).



**Figure 6.4: Aerial view of Hot Spring Zone**

There are Çamlık Hotel, Çınar Hotel, and historical Thermal Hotel in this facility. There are five baths with its therapeutic thermal water. Temperature of thermal water is 66 degrees, may heal some particular diseases such as digestion system disorders, hepatic diseases, rheumatic diseases, gynecologic diseases and the diseases of kidney. There's also an open pool that is completely filled with thermal spring water which is about 38 celsius degrees. The pool is active even during winter months because of its hot thermal water (Data obtained by field survey, 2012).

There are also a few minor facilities to cure. These are;

- The water for stomach: This water helps the treatment of stomach diseases and it's also beneficial for blood circulation.
- The water for eyes: This water cures eye diseases.
- The water for feet: It's good for diseases like rheumatisms and eczema.

Hot Spring Resort of Termal District attracts people with many more activities 4000 years ago. Hot spring was formed as a consequence of some natural events and for 2000 years. The prehistoric peoples accepted Termal as a sacred healing source (Brochure of Termal Hotel, 2012).

#### **6.1.4. The Feature of Treatment of the Hot Springs in Termal District**

According to Regulation on Spa (Kaplıcalar Yönetmeliği) Spa treatment; climatic cycles of elements in the style of the other treatments are applied in conjunction with a treatment system deemed necessary through local soil, mineral water from underground with temperature 20 ° C and the marine sources, gases in certain dose and at regular intervals, defined as a method of treatment with certain periods of time given repeated.

Additionally, methods of treatment, which are defined in regulation, such as balneology, climotherapy, thalassotherapy, mud treatment and drinking cure with physical medicine, rehabilitation, dietary practices and exercise treatments generates understanding of today's modern spa treatments.

In the light of these definitions, natural healing elements of spas of Termal District are the thermal water and the region's micro climate that suitable for health. In this context, these treatment elements should be supported by medical treatments and related to spaces.

According the report of thermal water indication:



Thermal water consists of sodium, calcium, sulfate and fluoride thermo waters are classified as mixed. And total mineralization is about 1500mg / lt level. The spas of thermal waters for drinking cures in balneotherapy for minerals, thermal water cures are also suitable for a thermal bath. Bathing in the form of use, it is good for rheumatic diseases, orthopedic surgery and after trauma, gynecology and some vascular occlusion of the legs.

According to Brochure of Termal District Hotel, these baths, at temperatures between 34 ° C to 42 ° C, should be applied for two to four times a day or twice weekly for 15-30 minutes, and at least one program to repeat the number of cycles to reach 15-20. Also act as methods of hydrotherapy are also recommended such as pools aquatic exercises, underwater jet showers.

In order to have bathing for cure, the Kurşunlu Bath, Valide Bath, outdoor swimming pool, Çınar Hotel's baths are also used. In addition to these facilities, there are no buildings or space allocated in existing buildings to have additional methods such as physical therapy, medication and treatment. In this context, Hot spring resort complex of Termal District doesn't meet the requirements for thermal spa cure which defined by modern medicine.

#### **6.1.5. Economic Profile and Development Background**

The tourism sector clearly plays important role. Solely, it has been increasing sector in the local economy of the Termal District of Yalova due to no other economic activities in the area.

The importance of tourism can be understood in relation with the other economic activities in the area. However, the accessible statistical data is absence, thus it does not allow exact evaluation of the relative size of tourism in relation to other sectors.

The data provided in qualitative and quantitative investigation draws a promising framework of the local economy owing to tourism has been clearly the dominant local sector of the town's area after 1980s.

**Table 6.2: Distribution of Employment**

Years	Population	Sectors	
		Tourism	Agriculture (livestock, forestry)
1983	1600	30%	80%
2012	2082	70%	20%

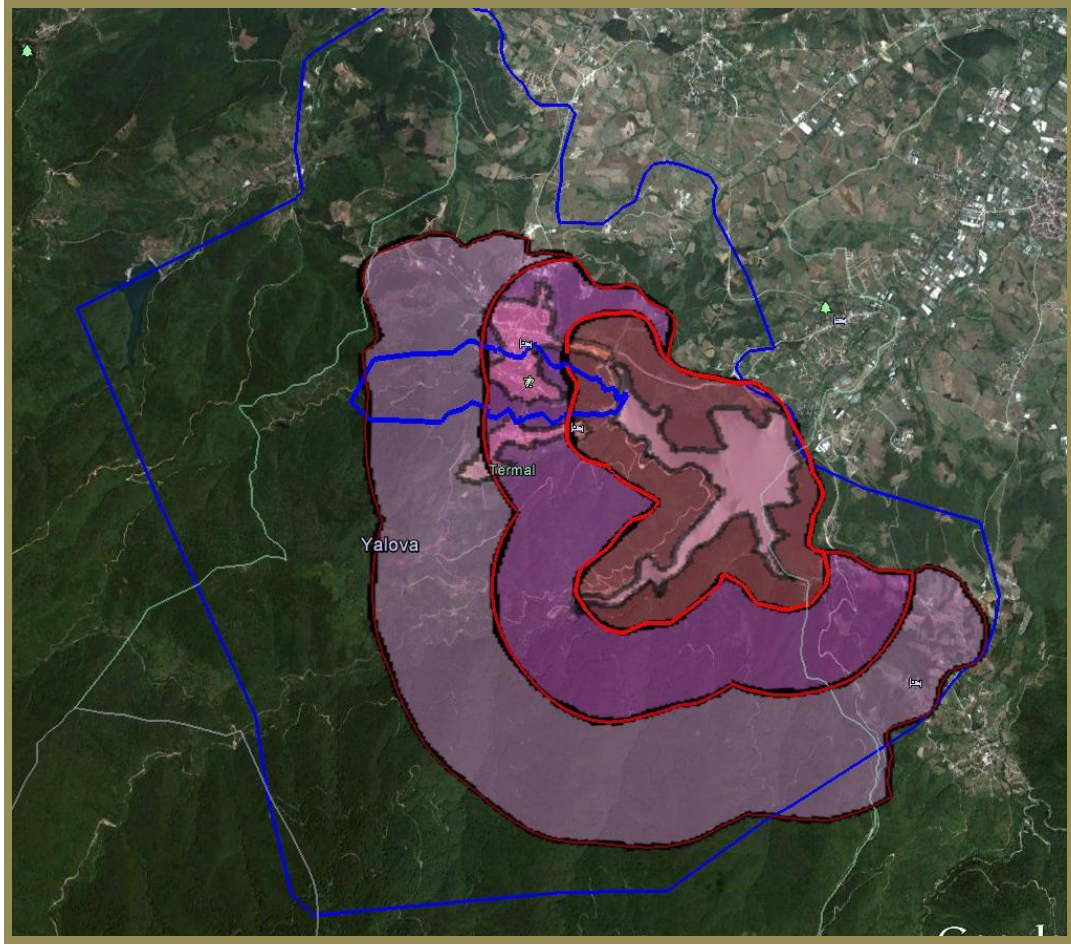
**Source:** Data compiled from qualitative and quantitative analysis, 2012

For the period 1983-2010, the distribution of employment data shows that the agricultural sector has been experienced a hard decline in the local economy across the area, by government policies, and changes in land use with drinking water dam. In addition, due to the dam construction, loss of productive agricultural land and the restriction of agricultural activities in the forestry area, tourism has been a notable sector in the town's area.

According to the mayor of Termal District, ninety percent of the Termal is covered with forests; the agricultural sector is almost declined or non-existent in recent years. In addition to the loss of fertile land, especially after construction of Gökçe Dam in 1983, prohibition of agricultural activities in the protection forest has led to the destruction of the county agricultural sector. Thus, it appears that the Termal District city center area was experienced a phase of economic restructuring with the disappearance of the agricultural sector.

The tourism potential, which is existing historical and natural wealth, of the district took most strong position as a leader sector by new tourism investments.

Especially, over the last six years there has been a rapid growing in investment through the development plans which is prepared in accordance with the Thermal Tourism Master Plan as a tourism development policy. Therefore, tourism becomes as the main economic sector with its supporting service sectors.



**Figure 6.5: Protection Zones of Gökçe Dam**

There are only 4, 3 star and above hotels certified by the ministry and 34 small hotels, motels, apartment hotel and pensions certified by the municipality, in the Termal District town center and in neighborhoods of Üvezpınar and Gökçedere, with total 1.823 bed capacity.(See Table 6.3).

**Table 6.3: Tourism Accommodations and Bed Capacities (2012)**

Rank	Open Date	Name of Facility	Bed Capacity
1	2011	Gren Termal Otel ***	50
2	2010	LİMAK Termal Butik Otel ***	100
3	2010	Termal Kaplıca Otel	130
4	2007	TERMALIUM Wellness Park Otel *****	200
5	2007	Özer Apart	25
6	2006	Kerem Apart	30
7	2006	Başaran Apart	45
8	2004	Murat Apart	30
9	2003	TBMM	35
10	2003	Diamond Otel	30
11	2002	Karaca Apart	40
12	2001	Evim Apart	50
13	1999	Altay Motel	25
14	1985	Çınar Motel	20
15	1985	Ümit Motel	35
16	1985	Rıza Motel	40
17	1984	Termal Park Otel	60
18	1984	Azim Otel	70
19	1984	Saray Otel	100
20	1984	Temal Apart	18
21	1982	Saray Motel	50
22	1975	Aydın Motel	40
23	1975	Çiğdem Motel	50
24	1975	Sevinç Pansiyon	35
25	1975	Aylar Pansiyon	20
26	1975	Köşk Merno Pansiyon	18
27	1975	Arzum Pansiyon	60
28	1975	Gevinç Pansiyon	25
29	1975	Ordike Pansiyon	30
30	1975	Oz Pansiyon	20
31	1975	Çağlar Pansiyon	40
32	1975	Görür Pansiyon	30
33	1975	Seyhan Pansiyon	20
34	1945	Dinana Otel	50
35	1940	Çamlık Otel-1984	166
36	1932	Termal Otel-1940	130
37	1900	Çınar Otel-1982	36

**Source:** Data obtained through field survey, 2012

These accommodations received with 97.966 domestic and 38.317 foreigner tourists total 136.283 in 2011.

In the Termal District, as can be seen from the Table 6.3, tourism potential from the past used continuously however, due to various interventions that are experiencing growth in the tourism sector during certain periods. Especially, thanks to declaration as tourism center of the district in 1982 and expansion of these boundaries in 2006, tourism investments has increased in this period.

**Table 6.4: Changes of Bed Capacity and Employment in Time**

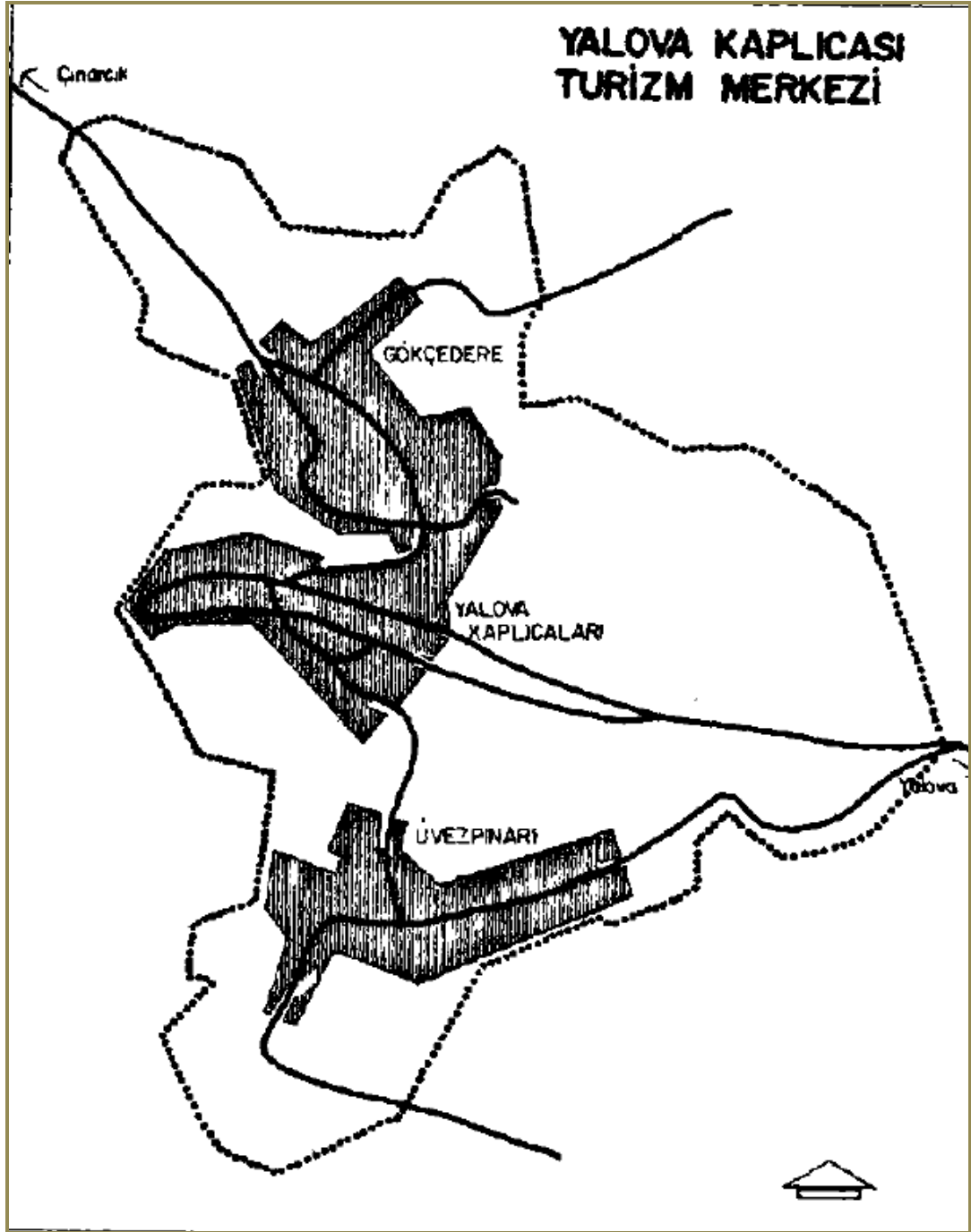
<b>Years</b>	<b>Bed Capacity</b>	<b>Employment</b>
<b>1900-1981</b>	770	186
<b>1982-1988*</b>	393	55
<b>1989-2005**</b>	285	74
<b>2006-2011***</b>	505	234
	<b>1823</b>	<b>479</b>
* Declaration of Tourism Center and expropriation of agricultural lands for dam.		
** Realization of the dam and prohibition of forestry activities.		
*** The expansion of tourism center.		

**Source:** Data obtained through field survey, 2012

According to these figures, the growth of tourism sector increased over the past 40 years. Until 1982, the area had 770 bed capacity and 186 jobs. Within the framework of central government's policy the growth of the tourism sector began with the announcement of tourism center of the district in 1982. 1448 with a total of 315 employments were recorded by 2005. After the expansion of tourism center's boundaries in 2006, investments in the tourism center have started again. The capacity of tourism center has re-growth of the tourism sector by the resumption of investments.

#### **6.1.6. Development History of Thermal Tourism in Termal District**

Spas of Termal District, which is very important and a priority with their 1823 beds, are located in the valley slope of Samanlı Mountain. In order to protect and develop spas of Termal District, the area was declared as a tourism center on the 6 th of September 1982 thorough the Official Gazette. The public ownership is 104 hectares within the declared boundaries of the tourism center.



**Figure 6.6: Boundaries of Termal Tourism Center** (Source: Official Gazette)

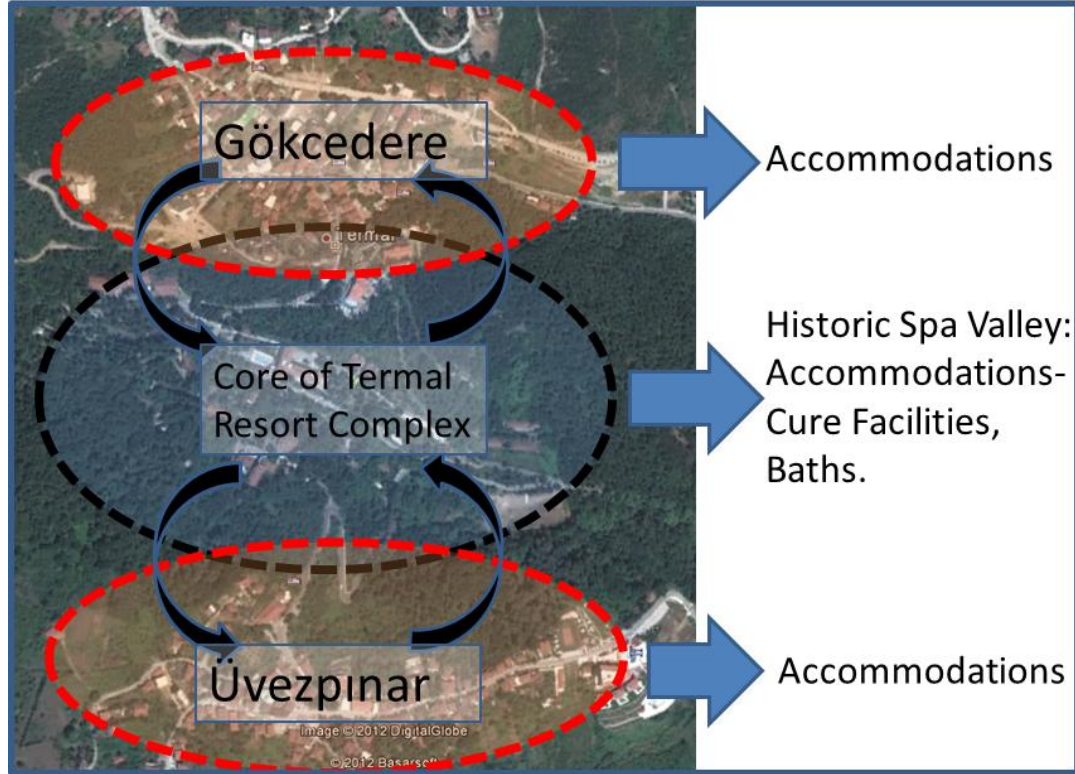
Spa area has grown into the interlocking rings. During all periods, Kurşunlu Bath, Valide Bath and Termal Stream have remained as central attraction axis of the resort complex. The area has grown physically with the change in the type of accommodations due to increasing number of visitors. In terms of therapeutic use of hot water, it is difficult to talk about physically change of the area except



After the declaration as a tourism center of spas area of Termal District, Water City Implementation Plan (Su Şehri İmar Planı) has been prepared by the Ministry of Tourism, firstly aiming to protect and preserve their spa culture and develop the city. The Plan also covered to Gökçedere and Üvezpınar Villages (See Figure 6.7).



Accommodations in the Termal Valley could not satisfy the growing demand in time. This situation has led to development of pensioning in the peripheral Gökçedere and Üvezpınar villages. In this case, this spa valley has become an area completely serving bath function and supported the increasing accommodation demand with pensioning in the periphery villages (See Figure 6.8).

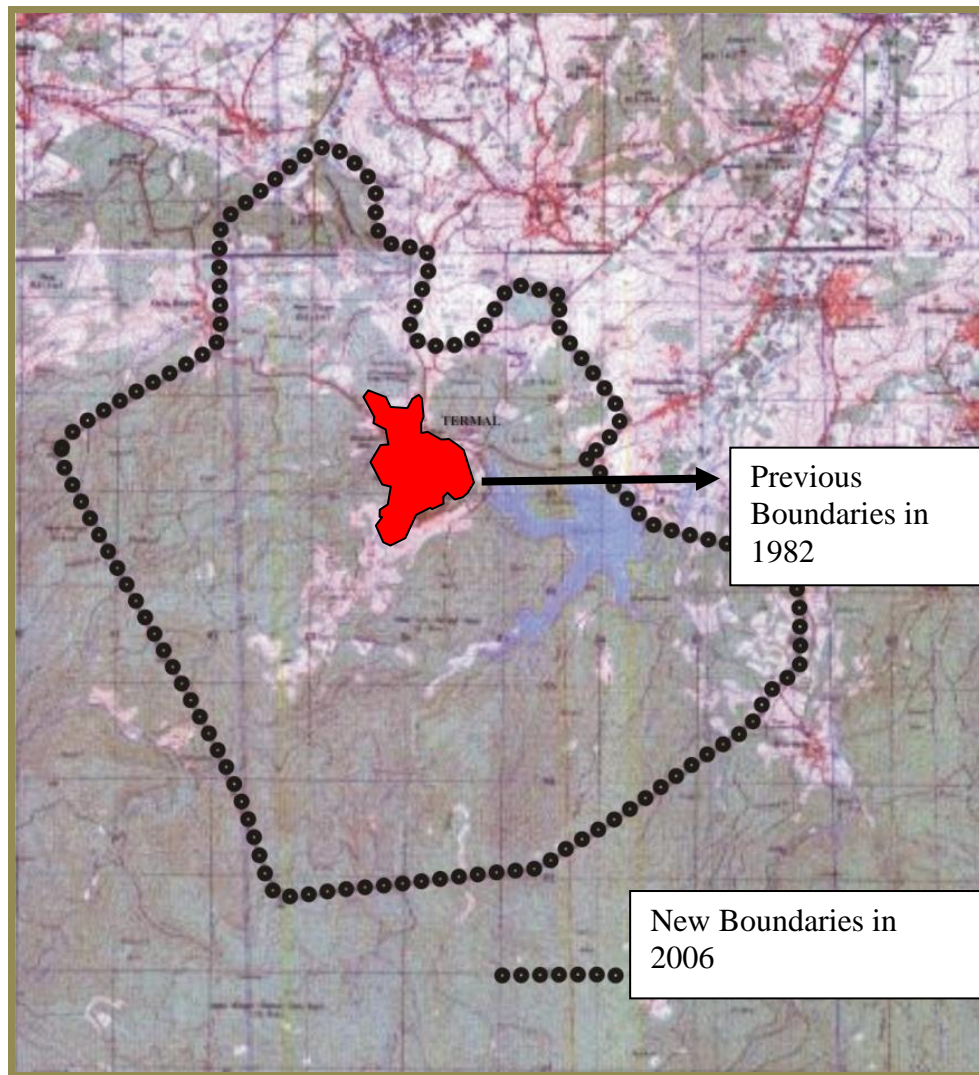


**Figure 6.8: Interactions with the surroundings of the center.**

The increase in demand for settlement needs and the lack of a sufficient size to allow the development of tourism had necessitated the preparation of an additional development plan over time. Therefore accordance with thermal tourism master plan, which was initiated under the supervision of the Ministry of Culture and Tourism, boundaries of thermal tourism center was expanded by publishing in the Official Gazette on the 16th of December 2012.

"Yalova Thermal Tourism Center" was declared under the Law on Encouragement of Tourism numbered 2634 (See Figure 6.9).



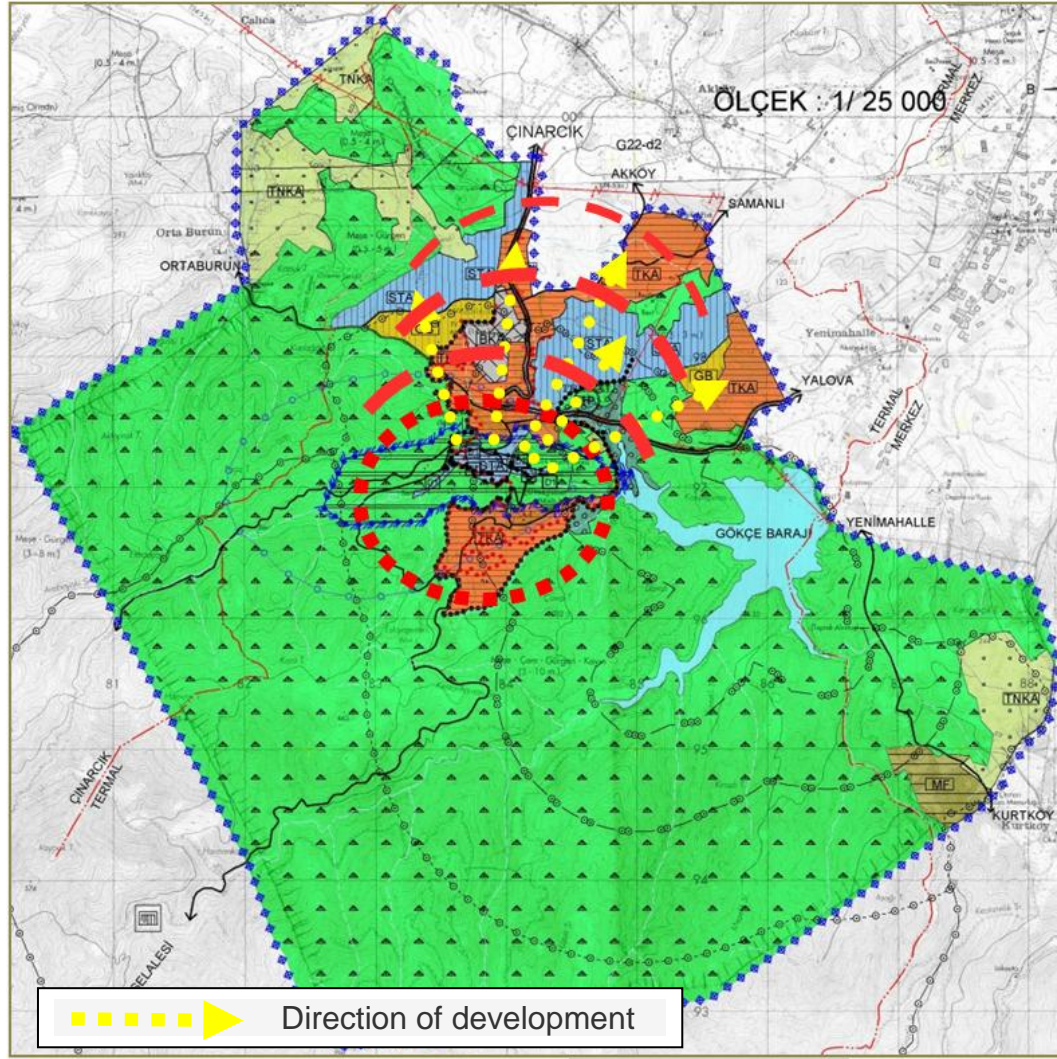


**Figure 6.9: The expanded boundaries of Termal TC (Source: Official Gazette)**

In accordance with this law, to ensure the planned development of thermal tourism center the Environment Plan, which scale is 1:25.000, was approved on 13.12.2010, by the MoCT. According to plan, while preserving the existing historic spa area, the new investment areas have been formed outward from the center (See Figure 6.10).

Developing the health and thermal tourism is mainly targeted with this plan. This development will be attained through making integration among accommodation facilities with cure centers and cure parks in the contemporary sense.

Under this plan, on peripheral of the Termal town, extra 7000 beds capacity is planned in public property, which means approximately 3500 new jobs in the area.



**Figure 6.10: Tourism Development Plan for 2023** (Source: MOCT, 2012)

### 6.1.7. Evaluation of the Study Area in the Context of Thermal Tourism

In literature, there are various definitions for thermal tourism which are mentioned conceptualizing thermal tourism in chapter 4. However, in our country, an area should be evaluated within the framework of definitions and evaluation criteria of the MoCT.

The Ministry of Culture and Tourism defines the modern spas as a complex where accommodation facility is integrated with cure park and cure center. The real appreciation of complementary, preventive and curative health aspects of spa cure is possible by planning with scientific methods of the natural environment (MoCT, 2008).





**Figure 6.11: Modern and qualified thermal facility** (Source: MOCT,2007)

The following describes the three basic units of modern spas.

**“Accommodation establishments”** are units that present needs of lodging, meals, entertainment and other social services. Unlike the thermal treatment center, this unit may include cure center.

**“Thermal treatment center or cure center”**, with the help of doctors and equipment, balneotherapy, physical therapy and rehabilitation, exercise therapy on the unit.

**“Cure Park”** (recreation area) presents various service units to fill tourist’s free time resting from thermal operation of with the tourism activities such as indoor and outdoor sports fields, walking areas, tea gardens, games rooms, concert halls, casinos, shopping center with indoor and outdoor swimming pools thus the enterprise can be increased to gains in business service.

According to Thermal Tourism Master Plan (2007) there are primary criteria considered in evaluating the tourism potential of the thermal field such as the potential of geothermal, feature of the water treatment, environment and climate values, natural vegetation, sufficient technical infrastructure with the possibilities of development in areas for settlement.

In parallel to the criteria described above, Yalova Termal District was selected to develop as thermal destination by MoCT, Its:

1. Definitions of thermal spa water cure and treatment of water resources is appropriate and rich,
2. Spas located in and around the settlement in terms of human health, climate data have positive values,
3. Natural vegetation for the health of rest and recreation is very rich,
4. Sufficient infrastructure,
5. Location and ease of access,
6. The high tourism potential

Nowadays, the development of thermal tourism in Turkey, in terms of diversification and expansion of 12 months tourism, which is stuck in the triangle of sea-sand-sun tourism, is seen an advantage.

In this context, thermal tourism has many advantages compared to other tourism types. In order to see the benefits of a thermal treatment, the length of stay should be ranged from two or three weeks. This is for businesses to develop additional functions for the guest's leisure time for a long time, thus leads to the establishment of a wider area.

However, the tourists who stay for longer periods tend to spend their time shopping, visiting natural and cultural assets and so on rather than staying for a long time in the facilities. As a result, thermal tourism gains much more economic return than other types of tourism.

#### **6.1.7.1. Strengths of Hot Springs of Termal District**

The thermo-mineral resources, which are required for the development of thermal tourism, in terms of richness of mineralization and both the amount of flow of water as well as temperature, are quite favorable in the spas of Termal District.

The thermal water is obtained by natural hot springs and drilling in the area and a total of 70 lt/sec is the current flow rate value. In addition to the existing capacity two new wells drilled by the municipality to increase the thermal source potential which is expected to double when it is conducted

According to assumption of Ministry of Culture and Tourism, which is 1 lt/sec for 100 beds, the current value was enough for 7.000 bed capacity.

Today, there are 1.823 total bed capacities in the valley of historic spas, Gökçedere and Üvezpınar Villages. Therefore, the thermal sources allow the development of the field with current values.

The Spas of Termal District emerges as more favorable than in many spas in terms of climate and natural environment factors which are subject to thermal tourism definitions.

In terms of tourism development, the natural environment of Termal District's hot springs are considered important advantage by its natural environment due to environmental problems posed by industrialization and urbanization, disruption of daily life problems and human health factors which increasing the supply of thermal tourism.

The springs of Termal District close to industrial cities such as Istanbul and Bursa. The large segments of the users of spas come from these cities.

Hot springs, which near the advanced cities and in easy reach of regions, have been advantageous throughout history. Today, Istanbul is a tourism destination its own

image and promotional activities and in this sense, government policy are underway. Yalova is an hour away from Istanbul by sea. It is a positive factor, that Hot Springs of Termal District take part in both internal market as well as the foreign market, by its proximity to Istanbul.

#### **6.1.7.2. Weaknesses of Hot Spring of Termal District**

Yalova Termal District Hot Springs is a thermal water spa town having accommodation, treatment and recreation facilities. However, the weakest side of center is lack of modern spa therapy and qualified bed capacity sufficiently.

Today, Termal District springs used only bathing and recreational purposes rather than the treatment, due to lack of coordination between historic bath buildings and medical methods.

Cure Park as a recreation area and outdoor swimming pool of Yalova Thermal Hot Spring Complex, defined as the most important feature of the Complex in terms of natural beauty. However, there insufficient variety of recreational quality activities for curists, who stay for a long treatment, except time of thermal treatments.

As a result, Yalova Termal District has many positive directions in terms of thermal tourism. Natural resources are enhanced level but according to the methods of modern medicine and tourism existing number of bed capacity and treatment cure center should increase in the modern sense.

#### **6.2. Evaluation of Thermal Tourism Effects on Termal District Economy**

Tourism and its direct and indirect effects are not fully understood by all Turkish economists, one reason for which is that the indices currently used are inadequate to demonstrate the specific economic effects of tourism.

My aim is to convince people who doubted that tourism does indeed play a significant part even in the economy of a district on the economic periphery - and that central government should support investment in the sector, since both the direct

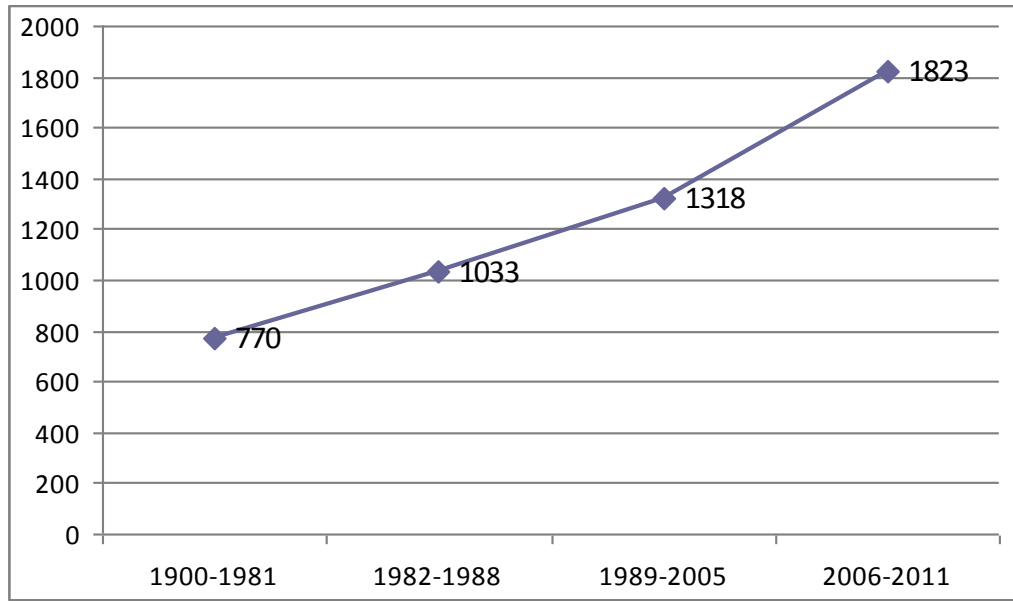
and indirect effects of tourism in the local economy are visible even in the shorter term. I used the case of Termal District City Center (the core of the district with 2,100 inhabitants situated) for my study, and I analyzed the effects of tourism on the local economy by making in-depth interviews with facilities. I also studied secondary data from the Termal District Spa Resort and the local authority. Furthermore empirical research among the visitors to the Spa was undertaken within the study.

### **6.3. Testing Hypotheses**

As stated in previous chapter, there are certain hypotheses which can be supported by the field survey. The first one is about the economic impact of the thermal tourism in terms of job opportunities. Secondly, tourism sector does not only have an economic impact on the settlement of Termal District but also peripheral part of the area. Third one focuses on the revenues achieved through new investment in thermal tourism and finally, investment in tourism will increase the range of services in Termal District.

In order to test the hypothesis, the year 2006 has a strategic milestone since the Ministry initiated thermal tourism study which is Termal Tourism Master Plan for South Marmara Region. This policy document also triggered new tourism investments in Termal District. For example, the hotel constructionists have started in 2006 and during the next 5 years, four new accommodation facilities with 375 bed capacity and one accommodation facility, which is the biggest part of spa resort complex, with 130 bed capacity are opened to service with the government aid from the Ministry of the Economy.

The figures also support tourism development in the area. The table below demonstrates that the investments mean around 30.000 visitors to the spa and more than 90.000 bed-nights in the hotels annually (See Figure 6.12, Table: 6.5 and Figure 6.13).

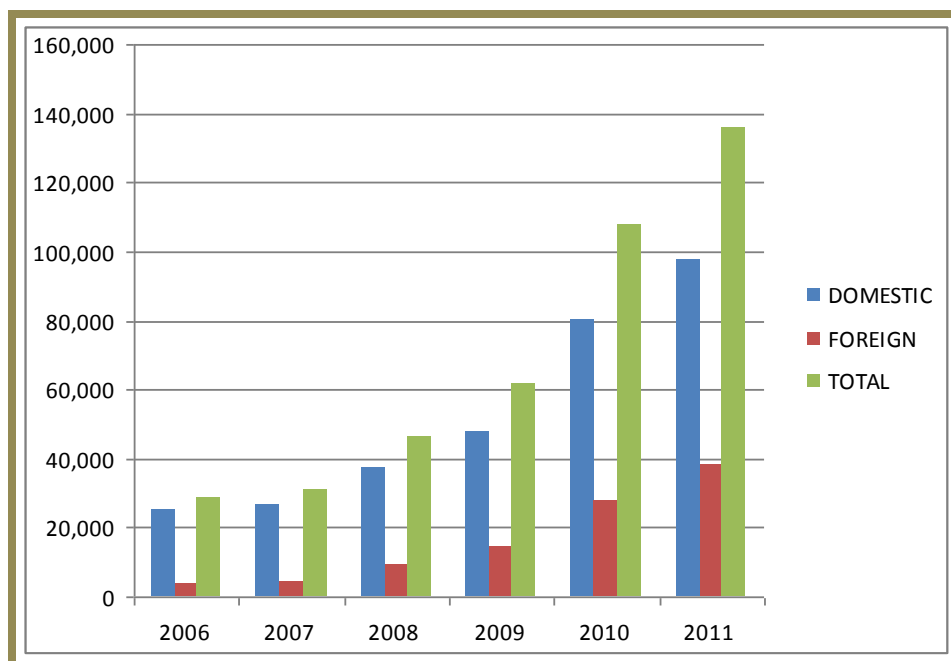


**Figure 6.12: Number of Bed Capacity (1900-2011)**

**Table 6.5: Avg. length of stay of visitors at new accommodations in Termal District (2012)**

Rank	Open Date	Name of Facility	Bed Capacity	Avg length of stay of visitors
1	2011	Gren Termal Otel ***	50	2
2	2010	LİMAK Termal Butik Otel ***	100	2
3	2010	Termal Kaplıca Otel (renewed)	130	3
4	2007	TERMALIUM Wellness Park Otel *****	200	3
5	2007	Özer Apart	25	4





**Figure 6.13: Number of Visitors (2006-2011)**

**Table 6.6: Tourist Arrivals, 2012**

YEARS	DOMESTIC	FOREIGN	TOTAL
2006	24,864	3,582	28,446
2007	26,344	4,267	30,611
2008	37,126	9,048	46,174
2009	47,752	14,123	61,874
2010	80,436	27,671	108,107
2011	97,966	38,317	136,283

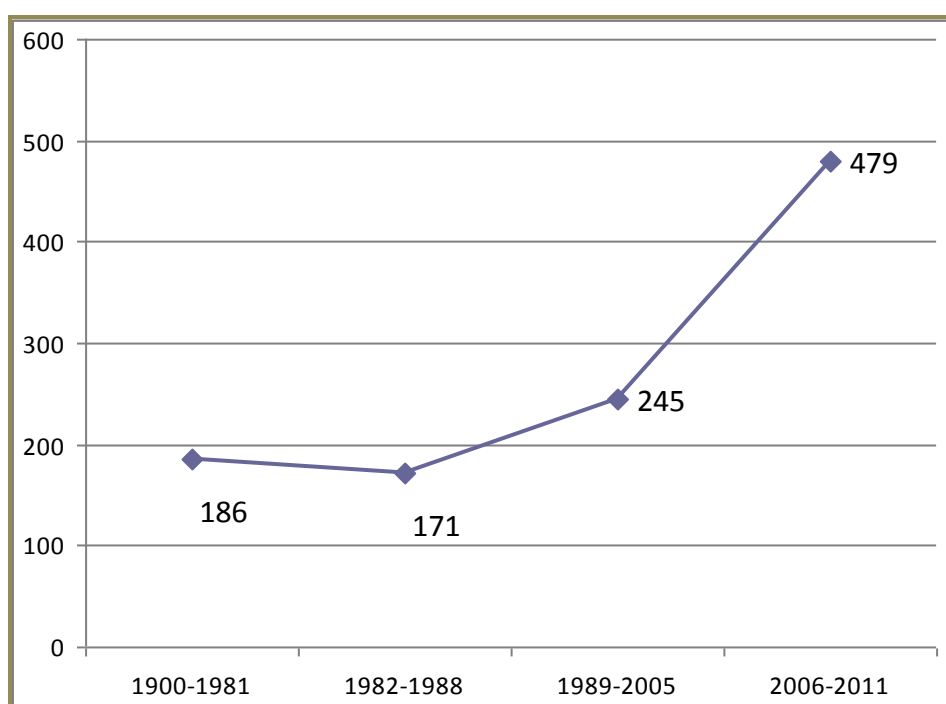
**Source:** Data Compiled From Province Directorate of Culture and Tourism, 2012

### **6.3.1. The Direct Economic Effects of Thermal Tourism on Termal District**

Tourism can be one solution for the employment in the countryside, but without government support it cannot be successful in the short-term. In this study I have confirmed the direct, indirect and spill-over effects of tourism and tourism investment on the economic periphery, and I hope that I can also convince decision makers to work together with the private sector and motivate business not only with direct financial help but also by using indirect tools.

From the point of view of the local authority and the economy, the most important direct effect of tourism and tourism development is creating job opportunities for local residents - and this has proved to be the greatest effect of the spa construction in Termal District.

Figure 6.12 shows the significant change in number of employees before and after the investment. In 2012 the investment created 234 new jobs in the spa, which represents an increase in the number of employees of 90 %. The number of employees reached its highest point in 2012 - a 148% increase over the base year of 2006. These data clearly support my first hypothesis.

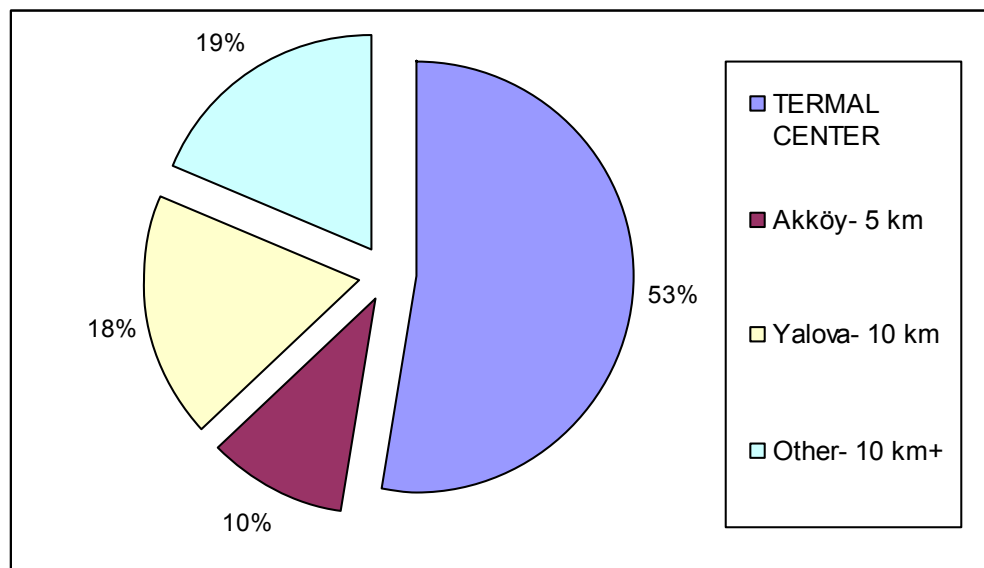


**Figure 6.14: Average number of employees of the spa (1900-2012)**

I also found it important to analyze the regional range of this effect: Does this investment mean new job possibilities only for local people? Or does it also have a spill-over effect in its neighbors?

As I expected, more than 53% of the employees are local people, and a further 37% come from the neighbor villages and from Yalova Center, which I contend, supports my second hypothesis of the spillover effect.

Ten percent come from a distance of at least 10 km, but these are mostly members of top and middle-management, together with a few highly skilled personnel such as waiters and waitresses (See Figure 6.15, Table 6.8).



**Figure 6.15: Proportion of Employees by Locations (2012)**

### **6.3.2. The Indirect Economic Effects of Thermal Tourism on Termal District**

Unfortunately, several forms of tourism multipliers are not countable since there are no adequate data, and the certain economic effect of tourism is difficult to explain in a district. In literature, the role of tourism in the national economy is best defined by Tourism Satellite Accounts and further analysis such as input output analysis which mentioned in Chapter 3.

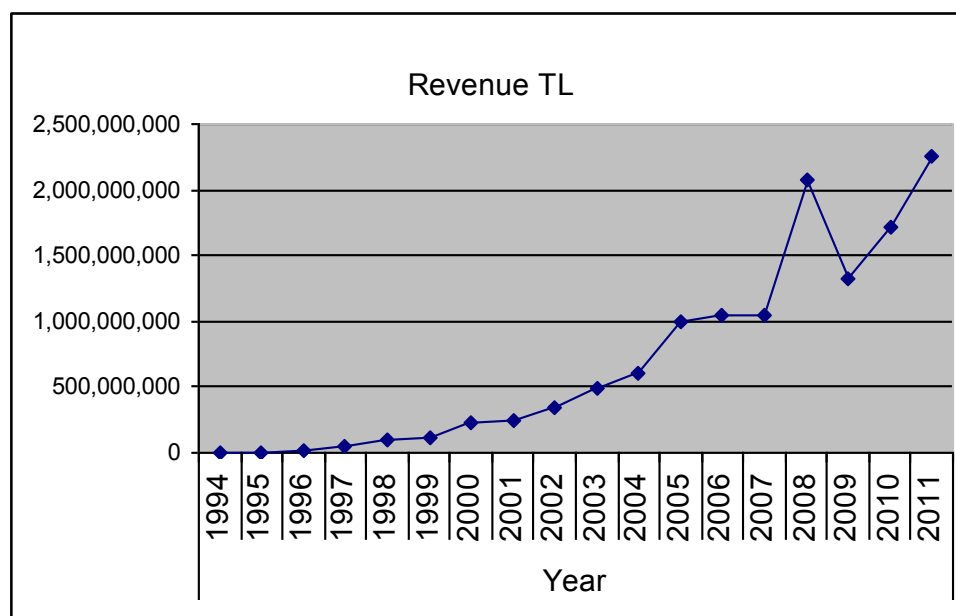
These kinds of analytical details are beyond the scope of this thesis. In order to evaluate the contribution of tourism on local economy, which is the main object of the study, changes in economic activity resulting from new investments is examined

via qualitative and quantitative analysis and the economic sectors that benefit from tourism is identified. Although these analyses are not close to reality, they can give clues to understand changes in employment figures in the local.

Tourism can also act as a catalytic in socio-economic development of the area and its neighbors. In order to analyze the catalyst effect of thermal tourism in Termal District, I have set out my hypotheses from 3 onwards which is local municipality revenue.

### 6.3.3.1. The Revenue of Municipality

At the end of the 90's Termal District belonged to the deprived areas of İstanbul, and the financial status of the local authority appeared critical. After 1994, gaining the distinction of being a Municipality, the private investment, the number of spa visitors increased significantly in Termal District. This brought about higher revenues for the local authority, especially from local taxes such as the business, property taxes and rent. Figure 6.16 shows the amounts of the annual revenue of the local municipality of Termal District and the annual number of spa visitors.



**Figure 6.16: Local authority revenue (1994-2011)** (Source: Termal District Municipality, 2012)

This yearly revenue is the source of allocation from the central budget for the operation of several public institutions such as the investment in the local infrastructure (improvements to public services, road repairs in the village and the construction of a cycle-path).

According to data, significant growth has been achieved after tourism investment commenced in 2008 – to be exact, a 100 % increase in comparison with the base year of 2006, and constant growth has produced an increase of more than 150 % in 2009, 2010 and 2011 as against 2006. The major reason for this increase is the Limak Hotel. The company rent the abandoned historic building of the Grand Hotel and restored then opened to the service as the Limak Hotel.

As a result of an interview with the mayor of Termal District, the information about the contents of the agreement obtained. According to agreement after restoration this building transformed to Limak Boutique Thermal Hotel. And the municipality, which had right to use Grand Hotel, begins gaining rental income. The most important acquisition from the agreement is the condition that hotel staff must be provided from the local.

In the absence of any significant revenue in Termal District from any other sector of the economy, I consider my hypothesis 3 justified.

#### **6.3.4. Indirect Sectors of Termal District**

Business activity changed very fast in the years following the investment into thermal tourism. There were 88 registered businesses in the district in 2006. The number of in 2012, compared with the base year of 2006 amounts an increase of 134%. The main reasons for this development are positive migration from the near neighbor, who lives in rural area, to the district and the capital investment in tourism. For the most part newcomers founded new companies and small businesses.

Table 6.7 shows the number of such businesses and changes in the number of services in Termal District. The number of services grew significantly following the investment. While, in the base year, there were 101 employments in the side sector,

but there are 234 employments in 2012, when compared with the base year of 2006, showed a growth of over 127%. This involves more hotels and pensions, private accommodation, restaurants and grocery stores together with estate agencies. These growths prove my hypothesis 4 is justified.

**Table 6.7: Businesses and number of services (2006-2012)**

Side Sectors	2006		2012	
	Number of Unit	Employment	Number of Unit	Employment
Gift Shop	10	10	20	20
Exchange Office	1	2	3	6
Travel Agency	1	1	2	4
Local Product Vendor	8	8	20	20
Oil Station	-	-	2	4
Taxi	3	3	8	8
Fast Food & Restaurant	10	10	21	53
Minibus	15	15	35	35
Private transfer vehicle	22	22	50	50
Guide	5	5	8	8
Fast Food	4	6	8	16
Real Estate Agency	2	4	5	10
<b>Total</b>	<b>71</b>	<b>101</b>	<b>187</b>	<b>234</b>

**Source:** Data obtained by field survey, 2012

According to data, which obtained from qualitative and quantitative analysis in Termal District, the direct 479 employment in accommodation establishment created 234 indirect employments.

To sum up, considering to bed capacity and direct employment of Termal District, it can be seen that the indirect employment is very low comparing to data which mentioned in chapter 2 and chapter 4. To summarize the findings in these chapters but these findings should not be ignored that the results generated effects from 3 stars and higher quality facilities:

1)One bed capacity creates 0,5 employment directly in Turkey.

2)Direct employment creates 1,5 employment indirectly in Turkey.

The main reason is for being below indirect employment in Termal District comparing average of Turkey, because there are very few of 3 star and high qualified facilities.

## **6.5. General Findings**

In this section, as result of field survey is given under the headings of Performance of the Local Economy In Terms Of Tourism, Employment Issues and Opportunities For Local Business. And the data obtained from the facilities as a result of the survey were tabulated (See Appendix B).

As general findings, the most important results of the hotel survey are listed below.

1. Employment is to be met almost entirely from local,
2. The average expenditure of tourists in a pleasing level of investors,
3. Average length of stay of tourists is far below what is required of a thermal accommodation,
4. Average annual occupancy rate of the facility is quite good.

In addition to the hotel survey, a questionnaire was conducted with visitors who use spas in this case study. The survey study reached the following conclusions.

1-The visitors are mainly Istanbul (45%). Respectively, Yalova, (25%), foreigner (mostly from Middle East) (25 %), Bursa (5%) and other (10 %) followed this province. Mainly visitors come from surrounding cities of Yalova. And also foreigner visitors come from United Arabian Emirates and other Middle East countries. A few of foreigners come from Russia. Therefore it can be said to serve domestic and foreign tourism.

2-Mainly 45 and over age group who use the Hot Springs. Job distribution; middle income groups in the majority, retired, housewives and including civil servants.

3-The purpose of visit to Hot Springs by 30% treatment, 40% free time evaluation, while 30% of bathing. Subject to the treatment of rheumatic diseases, disorders has been identified as predominantly.

4-Spas are used by 40% in spring, fall by 20%, 10% summer, 30% in the winter months.

To sum up, although satisfactory the amount of spend per person per day, however the most important lesson to be drawn from the survey to extend the average duration of stay should be provided in destination with necessary activities. Considering that given the spa cure is 14-21 days of treatment in the modern sense.

#### **6.5.1. Organization and Local Economy In Terms of Thermal Tourism**

It is accepted that as tourism product the thermal tourism is vital sector for local economy for surveyed facilities. In the survey, thirty percent of the facilities reported that serving for health purposes is major reason for the selection of facilities for visitors as part of thermal tourism.

At the same time, it is indicated that, existing facilities cannot met the increasing demand due to lack of adequate facilities for medical tourism. Therefore, interview shows that most tourists spend on average between two and three days in the area.

Accordingly, the majority of surveys point out that more accommodation facilities should be put into operation, and especially tourism facilities should be planned with cure facilities to serve health tourists in the modern sense. These findings suggest that the growth and increasing importance of thermal tourism in the local economy have been understood as a leader sector.

The great deals of visitors are individual travelers rather than members of a group or clients of a tour operator. Although four hotels work with tour operators, it is reported that daily tours are organized for tourists, especially from İstanbul and Bursa. The travel agencies, which are surveyed, reported that Termal District is marketed generally as a health destination by integration with nature and escape the crowd of the city by them. The target of the travel agencies is to attract international



tourists as possible as more to the Termal District facilities. As a one of the result of survey, it is understood that there are linkages between facilities and tour operators.

### **6.5.2. Employment Issues**

There are 37 accommodation facilities which can be classified as medium-sized enterprises on the basis of the number of employees in the District of Termal. Unlike mass tourism, enterprises are able to give service for twelve months regardless seasonally. The 37 surveyed facilities reported that providing all year employment opportunities and some opportunities for casual or temporary work. There are three biggest employers which are the Thermal Resort Complex and the Termalium Wellness Park Hotel and new Limak Thermal Boutique Hotel with total 650 employees.

Although some enterprises claimed that high levels of occupancy throughout the year, January–June was generally the peak and July– September the quietest period for tourism in the Termal District City area. The rest of other 34 accommodation facilities, also provide long-term employment opportunities owing to lack of seasonality in thermal tourism.

It is also examined the structure of employment. It is indicated from the interviews that unskilled labor force such as housekeeping or waiter is mainly provided from local. Especially, the Thermal Resort Complex, which is operated by the Ministry of Health and the biggest existing employer, has provided nearly all the unskilled labour from the Gökçedere and Üvezpınar locally. However, for more skilled positions such as director, supervisory were generally provided from outside the Termal District.

The most important result of the survey is related to employment issues that facilities faced with the problem of finding qualified workers which demanded by hospitality service. Especially, tourism licensed facilities complained of the difficulties face in providing suitable local labour. Particularly, many interviewees were concerned about the poor quality of local labour in terms of levels of literacy and with regard to poor skills.

### **6.5.3. Opportunities for Local Business**

The impact of tourism to local economy is not just employment opportunity in hotels but it also creates local linkages and atmosphere of doing business for local people. It is essential to expand of local linkages in providing supplies in terms of increasing the local economic impact of tourism development.

As a result of survey, it is reported that there are major issues related local business linkages. A vast variety of services such as grocery, greengrocery, meat and dry goods are provided in the Termal District area. It is also indicated that these services can meet small sized facilities daily needs. However, the medium sized facilities, especially tourism licensed hotels, demand specialist food supplies that cannot be provided from the local area, resulting in leakages of demands to outside suppliers. While some of these facilities, which is especially small ones, supply from Yalova City Center, many of these facilities deal their needs from specialist hotel food suppliers located in İstanbul.

To sum up, findings show that thermal tourism is vital for local economy of Termal District. However, it is also understood that Termal Resort Complex does not serve health purposes literally and it is not possible to develop facilities for this purposes in existing area due to restrictions of nature conservation area and dam site area. Therefore, in order to gain more benefit from thermal tourism the planning of new areas are needed in modern sense.

## 7. CONCLUSION

Tourism has been gained an important reputation in regional planning and local economic development owing to its socio-economic impacts. Therefore, tourism's economic benefits are kept on the agenda by the sector for a many reasons to attract the attention of the public. Tourism organizations are interested in the contribution of tourism at national and local levels. Evidence of tourism's economic importance gains the sector greater respect among the business community and decision makers. Therefore, tourism is seen favorable by public policies (Stynes, 1999).

Contribution of tourism can be solely solution as an economic activity for some underdeveloped regions and destinations. Economic impacts are also important factors in marketing and management decisions for local economy. It is necessary to be comprehended the importance of tourism by local communities to their settlements. Therefore, analysis of economic impact is used to prove inter-sectorial relationships among economy. It can also help taking decision or action through some estimation of the changes that occur in an economy.

According to Stynes (1997), there are many ways as an analysis, ranging from hypothesis to complex mathematical models, which can be used to forecast economic impacts of tourism. However, these impact studies and reports contains with economic terms and methods that non-economists cannot understand. For this reason, these studies are needed to be to simplify but usually are misunderstand by public.

Generally, the economic impact analysis to help understanding the structure, growth of the tourism sector and its relations to other sectors in a destination where planned to be developed. Such understandings are helpful for decision makers to identify the tourism potential for local economic development strategies. Economic impact studies also provide information to evaluate actions and effects of policies which affect tourism activity either directly or indirectly?

Therefore, good understanding of economic impacts of tourism is important for the tourism industry, government officials, and the community as a whole. Consequently, the purpose of this study is to present how the average person can understand these effects sufficiently by using the main tourism indicators such as increase in bed capacity, employment, investment etc.

Tourism is supported sector by Tourism Encouragement Law and Undersecretariat of Treasury in Turkey. According to Undersecretariat of Treasury's 2010 data the tourism industry is third position in terms of investments, following food-beverage and the textile sector which are considered as locomotive. The tourism sector stands out in all regions to benefit from regional support due to the employment-intensive sectors.

**Table 7.1: Sub-Sectoral Distribution of Incentive Certificates (2009 -2010)**

Sector	Sub Sector	Number of investment incentive licence	Fixed investment (\$)	Employment	I/E*
Overall Total		4.747	38.632.777.258	164.432	234.947
Manufacturing	01 - Food and Beverage	679	1.765.677.131	21.630	81.631
Services	02 - Tourism	347	2.976.407.366	21.254	140.040
Manufacturing	03 - Textile	462	1.563.134.531	16.502	94.724
Energy	04 - Energy	202	7.246.622.044	3.332	2.174.857
Manufacturing	05 - Chemistry	70	9.261.456.130	2.860	3.238.271
* The amount of investment required to provide employment for 1 person					

**Source:** Republic of Turkey Prime Ministry Undersecretariat of Tresury, 2010

**Table 7.2: Investment Costs of Tourist Accommodation Establishments**

Type of Facility*	Cost Per Bed (\$)
5* Hotel	51.675
4* Hotel	35.708
3* Hotel	26.480
2* Hotel	15.988
Motel –Apartment Hotel	12.157
Pension	8.393

\*Cost per Bed, includes construction, installation, furnishing and equipment.

**Source:** MOCT,2012

According to the promoting system 3, 4 and 5 star hotel investments are supported in tourism sector. If it is assumed that the investments in three segments are equal, an evaluation of the data in Table 7.1 and Table 7.2 shows the one bed creates average 0.5 jobs directly in Turkey.

As a result, by comparison of data from Table 7.1 and Table 7.2, the tourism sector is understood to employ more with less investment than manufacturing and energy sectors, which is regarded as the leading sectors in Turkey.

In the light of these guiding official data I have further examined successful investments in thermal tourism from the economic periphery of Yalova Termal District and attempted to evaluate its direct and indirect effects.

In order to reach this aim, as mentioned previously method of statistical hypothesis test is utilized in this thesis by using combination of qualitative and quantitative data analyses techniques.

By testing first and second hypotheses, data obtained to clarify new investments in thermal tourism created new job opportunities within the periphery of settlements of Termal District as a direct effect and spill-over effect between the periods of 2006-2012 years.

The third hypothesis is proved that investing in thermal tourism act as a catalyst and produces an increase in revenue for the local municipality.

The fourth hypothesis is realized investment in tourism increase the range of services in Termal District as a catalyst.

Hypotheses 5 and 6 are about more investment opportunities and infrastructure led by new investments within the boundaries of the existing Termal District residential is not possible to realize due to restrictions of drinking water threshold on new constructions. However, the realization of these hypotheses would be as a result of implementation of the development plan, which was approved by ministry, by allocating public lands located outside the existing settlement to tourism investors.

Hypothesis 7 about the socio-cultural effects of tourism and impacts of tourism development on the standard of living of local residents and Hypothesis 8 on the effects of tourism investment on regional competitiveness require deeper research and analysis. This will be a major part of my future work and of my doctoral thesis.

To sum up, the positive economic effects of tourism involve not only direct but also indirect impacts. The direct one is to create employment and generate income in foreign currency when tourism means an invisible export to the destination. Although, the indirect impact also involves tourism multiplier, output, sales and municipality revenue and tourism acts as a catalyst to improve the local economy but it is evaluated that remained far below the average of Turkey due to 33 of 37 facility under the three star and poor quality and bed capacity is low in Termal District.

Additionally, tourism has valuable spill-over effects into the micro-region. The tourism figures of Termal District of Yalova Province support the economic importance of thermal tourism in terms of bed capacity and employment. According to Tourism Development Plan of Termal District Tourism Center, there is 7000 bed capacity having 2460 employment in Termal District of Yalova Province, having only thermal tourism potential. Considering multiplier effect of tourism, 2505 employment capacity is calculated as 5000 employment indirectly created in the sectors such as leisure, food, travel agencies, trade etc. (See Table 7.3).

**Table 7.3: Economic Importance of Thermal Tourism in Termal District.**

Type of Facility	Bed Capacity	Number of Room	Room/Employment	Employment
5* Hotel	1.050	525	1,00	525
4* Hotel	840	420	0,85	357
3* Hotel	1.260	630	0,70	441
2* Hotel	1.400	700	0,60	420
Motel	1.750	875	0,70	612
Pansion	700	350	0,30	105
Sub Total	7.000	3.500	-	2460
Camping	1.500	750	0,06	45
Overall Total				2.505

**Source:** Tourism Master Plan of Yalova Province, 2011

In summary, the investment in thermal tourism will act as a catalyst and produce an increase in revenue for the local community. Also as a catalyst, tourism development and new investment in tourism will together improve higher employment, the consequent increase in domestic income and the results of economic integration will produce a higher standard of living in the local community. Such investments can solve the greatest problem of the Turkey rural areas such as unemployment and a lack of economic growth, and they can also act as a catalyst in the economic and social processes. It is, however, not a general recipe for improving the economy of rural areas, and I would emphasize that tourism can be (rather than must be) the solution since its success depends on a complex foundation – for example, on the basic attraction, the quality of service, the investment capital available from investors and on a functioning public-private-partnership etc.

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## APPENDIX A

### A SAMPLE OF QUESTIONNAIRE OF ACCOMMODATION

1. Type of Facility? ☐ **Hotel** ☐ **Motel** ☐ **Pension** ☐ **Apartment**
2. Type of license? ☐ **Ministry** ☐ **Municipality**
3. Date of opening?
4. Bed capacity?
5. Number of employment?
6. Residence of the employees? ☐ **Gökçedere** ☐ **Üvezpınar** ☐ **Akköy** ☐ **Yalova** ☐ **Other**
7. Average length of stay of visitors?
8. Average spending of visitor?
9. Which services taken other sectors?
10. Where does needs are met?
11. Where do visitors mainly come from?
12. What is the average expenditure of tourists?
13. What is the average annual occupancy rate?
14. What is the age group of visitors mainly?
15. What is the purpose of visit?
16. What are the employment issues?
17. What are your views on the contribution of thermal tourism in your district?
18. What are your expectations, problems and suggestions related the tourism sector?

## APPENDIX B

### Bed capacity, employment, avg. Stay and avg. Spending of tourist in accommodation facilities in Termal District (2012)

Rank	Open Date	Name of Facility	Bed Capacity	Geographic Distribution of Emp.						Avg length of stay of visitors	Avg Guest Spending (TL)
				Gökçedere	Üvezpınar	Akköy	Yalova	Other	Total		
1	2011	Gren Termal Otel ***	50	8	2	2	3	3	18	2	240
2	2010	LİMAK Termal Butik Otel ***	100	15	14	10	10	14	63	2	600
3	2010	Termal Kaplıca Otel (Renewed)	130	30	50	20	30	17	70	3	250
4	2007	TERMALIUM Willnes Park Otel ****	200	10	15	5	25	25	80	3	350
5	2007	Özer Apart	25	3					3	4	100
6	2006	Kerem Apart	30	4					4	7	150
7	2006	Başaran Apart	45	1				6	7	5	100
8	2004	Murat Apart	30	3					3	5	100
9	2003	TBMM	35	10	15	5	5	5	40	2	110
10	2003	Diamond Otel	30	4				1	5	2	100
11	2002	Karaca Apart	40	1	1		2	1	5	4	140
12	2001	Evim Aparat	50	2	2	1		3	8	7	100
13	1999	Altay Motel	25	2					2	3	60
14	1985	Çınar Motel	20	2	1				3	2	70
15	1985	Ümit Motel	35	2			1	1	4	3	90
16	1985	Rıza Motel	40	1	1		2	1	5	3	60
17	1984	Termal Park Otel	60	6	3	1	2	2	14	3	150
18	1984	Azim Otel	70	1	2	4	1		8	3	100
19	1984	Saray Otel	100	7	1	2	1		11	4	120
20	1984	Temal Apart-1984	18	8					8	3	250
21	1982	Saray Motel	50	2					2	2	150
22	1975	Aydın Motel	40	1	1		2		5	2	150
23	1975	Çiğdem Motel	50	3	1		2		6	2	70
24	1975	Sevinç Pansiyon	35	3					3	4	100
25	1975	Aylar Pansiyon	20	2					2	4	100
26	1975	Köşk Merno	18	2					2	4	100
27	1975	Arzum Pansiyon	60	1	1		2	1	5	4	100
28	1975	Gevinç Pansiyon	25	1					1	4	80
29	1975	Ordike Pansiyon	30	2					2	4	80
30	1975	Oz Pansiyon	20	1	1	1			3	5	80
31	1975	Çağlar Pansiyon	40	1	3			1	5	3	110
32	1975	Görür Pansiyon	30	3				1	4	3	100
33	1975	Seyhan Pansiyon	20	2					2	2	50
34	1945	Dinana Otel	50		4				4	3	120
35	1940	Çamlık Otel-1984	166	30	10	10		10	60	3	250
36	1932	Termal Otel-1940	130	40	20	5		5	70	3	250
37	1900	Çınar Otel-1982	36	6	3	2	1		12	3	250
<b>Total</b>			<b>1823</b>	<b>479</b>						<b>3.4</b>	<b>150</b>

**Source:** Data obtained through field survey, 2012