The Development of Rural Tourism in Greece, Through the Initiative LEADER II: the Case of Northern and Central Chalkidiki

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1. Introduction

Structural changes in economy generate severe stress in many rural areas, especially those which are highly dependent on agriculture. Most countries in Europe include 'disadvantaged' areas or regions where farm revenue is decreasing, farmland values are changing and unemployment is rising, thus leading to an exodus of productive forces and demographic imbalance in rural areas. The real challenge for policy makers, leaders and rural communities is to conceive innovative responses to the current problems and to sustain the wellbeing of the rural populations (Gannon, 1994, Iakovidou et al., 1998). The response to such a challenge for the countryside is a multi-level, multi-actor and multi-faceted approach (integrated – endogenous rural development) brought forward during the last years (Snowdon et al., 1998; Van der Ploeg et al., 2000).

The Cork Declaration, in 1996, was partially a response to the need for setting a higher priority and following a bottom-up approach in restructuring the disadvantaged European rural areas. Arguing that rural development must address all socio-economic aspects in the countryside, the Declaration stated the need to promote local capacity-building in view of sustainable development of rural areas and in particular, to encourage and support local private and community-based initiatives. It explicitly drew tourism and recreation into the context of integrated rural development processes, an approach taken up by LEADER programs (Roberts and Hall, 2001).

LEADER is one of the most proactive EU programs, operating under the umbrella of Agricultural and Rural Development Policy (officially engaged through the R. 1257/99) for the support of EU disadvantaged rural areas. Its bottom-up approach has come through three sequential phases: LEADER, LEADER II and the forthcoming LEADER PLUS Initiatives.

The current paper intends to describe the development of rural tourism through the LEADER II Initiative in Greece, especially in the Chalkidiki area, a well-known mass tourist destination. The sample population of this study refers to individual entrepreneurs/beneficiaries of Rural Tourism in the LEADER area of Chalkidiki. A survey (personal interviews with the use of a structured questionnaire) was carried out during the period June – Sept 2001, in the Chalkidiki LEADER area. The entrepreneurs engaged in rural tourism were asked 30 questions concerning their personal characteristics, the profile of their business, the profile of their clientele as well as data regarding profits, costs etc., promotion and marketing strategies and further needs of their business. Secondary local and national sources were also used.

2. Rural Tourism in Greece

Concerning the demand for rural tourism, it must be stressed that during the 1970s and the early 1980s, in Greece, a Mediterranean country with long tradition in seaside tourism, rural tourism did not, actually, exist. In this respect, it is important to point out three important
facts:
- In the Mediterranean countries, the dominant trend has always been the seaside tourism. The international tourist agents who polarised the interest of tourists, whether local or foreigners, towards the coastal regions rather than the interior rural areas (Bazin and Roux, 1997), further reinforced this trend.
- The strong desire of urban populations to “return to nature” and “discover a place” emerged only in the 1990s; thus, until the late 1980s, such a tourism stream, which could favour interior rural areas, had not been developed.
- Given that the rural exodus has taken place recently in Greece (after the 2nd World War), to date the city-dwellers have not cut the painter with their home-towns and always go back to their villages on holidays. Therefore, they have never felt a strong need “to go back to their roots” or seek “the authenticity of the rural world”.

From the late 1980s onwards, within the emerging framework of integrated rural development, many local experts were convinced that there was a need to start planning new forms of tourism in Greece. This was mainly due to the fact that mass tourism had already reached saturation point, and new forms of tourism were increasingly in demand. Social interest was aroused in safeguarding threatened landscapes and helping them reveal their identity through their cultural values. Such an interest spurred the Greek agencies to start planning the development of rural tourism in Greece.

The authorities viewed rural tourism as a local or regional activity to secure supplementary income for rural families, improve their standard of living and maintain rural population. In addition, it was considered to be a local or regional activity aimed at revitalising the rural environment and reducing desertification. Such an activity was also maintained to offer an alternative solution to the severe social and economic problems affecting less favoured regions, whose resources were mainly exploited in the primary sector of the economy (Iakovidou, 1992).

Rural Tourism development was organised essentially around two axes. The first related to private initiative undertaken by individuals, whose main occupation was farming (agritourism) and the second to, private or collective initiative taken by permanent residents of the countryside or Women’s Agrotourism Co-operatives (agrotourism). Even though agritourism remains underdeveloped, because of the structure of Greek agriculture and the attitudes of Greek tourists towards agritourism, agrotourism still represents the most original form of rural tourism in the country.

There is no official record of the number of rural tourism enterprises. According to the estimations of the Greek Ministry of Agriculture (2000), there exists a discernible network of over 1000 accommodation facilities run by Greek farmers (agritourism). A significant percentage is located on the islands (65%) and in seaside areas (9%); such areas can hardly be characterised as rural with respect to some features such as their settling pattern, the structure of employment and incomes, as well as the consuming patterns. These establishments are quite isolated, that is, they are not integrated in a global area development plan of which agritourism might be an integral part. Therefore, one can reasonably claim that this kind of agritourism has diverted from the original aims of the utilisation of rural resources within a sustainable development framework, the linking of urban and rural areas through cultural exchanges and the mobilisation of the rural populations (Anthropoulou et al, 1998).

As regards the Women’s Agrotourism Co-operatives, from a total number of 99 co-operatives, 10 offer accommodation along with leisure activities whereas the others are involved in the production of local traditional products. Most of these co-operatives are found in rural areas of Northern Greece, i.e. the regions of Macedonia (19), Thrace (11) and Epirus (10); the regions of Thessaly (16) and Central Greece (10); in the Aegean islands (15) and Crete (12). Women’s co-operatives contributed to adding several rural communities to the Greek map of “alternative tourism”. The participation of rural women in co-operatives has enabled them to value their skills and render them productive. Furthermore, the co-operatives succeeded in guaranteeing an income to rural women. As a result, they favoured women’s independence, self-esteem, self-confidence and the improvement of their social status in the local communities. Finally, the co-operatives had an influence on the development of other sectors of the local economy, namely agriculture, trade, small enterprises etc. (Iakovidou, 1992; Tsartas and Thanopoulou, 1994; Giagou and Apostolopoulos, 1996; Iakovidou et al, 1999; Gidarakou et al, 1997).

Concerning the private initiative of agrotourism, an accurate global picture is still lacking in Greece and little is known about its spatial distribution. Nonetheless, most of these businesses were supported through the LEADER Initiative and they are located in mountainous and disadvantaged rural areas and utilise significant resources. More specifically, the LEADER II programme supported 1150 investments concerning rural tourism and alternative tourism in the Greek countryside (Ministry of Agriculture, 2001).

3. The LEADER Initiative in Greece

As far as rural development is concerned, in 1991, the Commission launched a new Community Initiative called “LEADER” to supplement the National Operational Programs of the member states for a period of three years. The Initiative was aimed at introducing and experimenting a new approach to rural development, and was focused on the innovative nature of actions, their demonstration effect and transitional co-operation between LEA-

The official rhetoric of the LEADER Initiative included the metaphor of a rural development 'laboratory'. Each Local Action Group (LAG), implementing the LEADER Initiative, had to search for innovative ideas that would not only assist the socio-economic regeneration of their locality but also serve as a demonstration site for other territories. Underlying the search for the secrets of how to animate innovation in 'disadvantaged' rural areas was the endogenous development hypothesis. Theoretically applicable to any sub-national, geographical scale, the main components of the hypothesis are threefold.

Firstly, it sets the development activity within a territorial rather than sectoral framework, the territory scale being smaller than the national or regional level.

Secondly, economic and other development activities are reorientated in order to maximise the benefits within the local territory by promoting and exploiting local resources – physical and human.

Thirdly, development is contextualised by focusing on the needs, capacities and perspectives of local people. The development model assumes an ethical dimension by emphasising the principle and process of local participation in the design and implementation of action and through the adoption of cultural, environmental and 'community' values within a development action.

The rhetoric offers the prospect of local areas assuming greater control of development by reorientating development around local resources and by setting up structures to sustain the local development momentum after the initial 'official' intervention (Ray, 2000).

Since the beginnings of the 90’s and through the European guidelines concerning the development of the mountainous and disadvantageous countryside, a number of rural tourism enterprises were established in Greece. The implementation of the communal initiatives LEADER I & II, the regulations and national programs animated and supported not only the construction of accommodation but also of other rural tourism-related enterprises, thereby providing outdoor activities and/or catering and local products.

Currently, the ex-post evaluation of the LEADER II program in Greece is completed. Despite the fact that a few actions and works are still not finished, the results of the implementation of the 56 business plans of the Greek LAGs (49) and Collective Bodies (7) are clearly visible.

The tourism activities developed through the program concern the most important actions as far as the funds spent, their importance for the local economies and their catalytic role for the development of countryside are concerned. 37.7% of funds have been allocated to Rural Tourism, followed by the enhancement agricultural products (26.5%) (Table 1).

Most projects of Rural Tourism refer to accommodation (59.1%), followed by alternative tourism projects (18.5%) and recreation activities (10.6%). Projects involving promotion are limited (3.2%) (Table 2).

The Rural Tourism actions are also supplemented by environmental and cultural actions in the framework of development and promotion of local identity. The majority of those projects involve the enhancement of landscapes and places (27.9%), restoration of traditional buildings (10.1%) and Monasteries and Churches (9.1%) (table 3). It should be highlighted that on the one hand many features and independent initiatives (especially cultural) are not fully developed, on the other, the fragmentation of funds among local authorities did not allow a proper integration of cultural and environmental actions into Rural Tourism.

As regards the Program beneficiaries, they were both legal entities and natural persons. For Rural Tourism, the majority of the beneficiaries were natural persons from which 53.7% were women.

The targets of the Greek programme mainly addressed economic activities development in mountainous and marginal rural areas as related to the urgent need to supplement farming employment opportunities. According
some of the mainstream programmes (especially the rural action plans of the regional programs) inevitably drew the interest to the LEADER programme, to which mainstream characteristics were attributed (in many cases the LEADER programmes resembled small-scale regional ones).

4. The Study Area: Chalkidiki

Located in Northern Greece, the Prefecture of Chalkidiki covers an area of 3253 Km2 and is divided into 4 parts: the mainland and the three peninsulas. This is a semi-mountainous region. The total population comes to 105,156 inhabitants (2001), with a relatively low distribution (36.2 inhabitants/km2).

The topographical features, the natural beauties, especially the long coastal zone of 850 km and the cultural resources have made Chalkidiki, and especially the peninsulas, a well-known destination of mass tourism. Despite the significant contribution of tourism to the economy of the Prefecture as a whole, employment mainly in the primary, and partly in the secondary sector, continues to support a large section of the local economy, especially in the northern, mountainous regions, where LEADER was implemented. In the southern parts of Chalkidiki tourism activities prevail and occupy most the inhabitants (Chalkidiki Prefecture Authority, 1999).

The selection of the LEADER area was based on geographical and economic indicators. It is located in the central and northern Chalkidiki around the Holomontas Mountain, far from the developed coastal region of the South which represents a popular tourist destination. The LEADER area includes 7 small-sized Municipalities. The total population amounts 38,918 inhabitants and the surface area equals 1645.9 Km2, of which 95% are mountainous. As for the land use, agriculture covers 28.2%, forests 49.7% and meadows 22.1%.

The production activity displays the following comparative advantages:

- Abundant production of honey, olive oil, olives, wine, wheat, tobacco, cheese, milk and meat
- Rich subsoil from a mineral point of view
- High proportion of forests with a large production of woods
- The creation of handicrafts with a unique aesthetic value

In contrast to the rest of Chalkidiki, the LEADER area is characterised as disadvantaged due to the fact that population is decreasing, the percentage of the elderly is raising, young people are leaving their villages to search for jobs elsewhere and rural activities are increasingly abandoned (Chalkidiki Prefecture Authority, 1999). However, the LEADER area offers to its visitors forests, natural resources, small traditional villages, hospitality and local products, i.e. factors contributing to the development of alternative forms of tourism, among which rural tourism prevails (Chalkidiki Prefecture Authority, 1999).

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Table 3. Measure 6: Culture & Environment Projects. Allocation of plans

<table>
<thead>
<tr>
<th>Projects</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation of Landscapes and Places</td>
<td>27,9</td>
</tr>
<tr>
<td>Restoration of Traditional Buildings</td>
<td>10,1</td>
</tr>
<tr>
<td>Traditional Settlements</td>
<td>7,4</td>
</tr>
<tr>
<td>Monasteries And Churches</td>
<td>9,1</td>
</tr>
<tr>
<td>Rural Museums</td>
<td>8,0</td>
</tr>
<tr>
<td>Cultural Centres</td>
<td>4,9</td>
</tr>
<tr>
<td>Route Marking</td>
<td>4,6</td>
</tr>
<tr>
<td>Other</td>
<td>28,0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
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</tbody>
</table>

Source: Koutsouris and Hantzantonis, 2001

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5 According to the ex-ante evaluation, the targets set concerned the creation of 6800 full-time and 13,600 part-time or seasonal jobs.
5. The LEADER II Initiative in Chalkidiki

The evaluation of the LEADER II programme in Chalkidiki is almost completed. Although a few projects are not finished yet, the results of the implementation of the LAG’s Programme (Development Association of Chalkidiki SA) are presented here, thus indicating its main trends.

The Development Association of Chalkidiki SA has been implementing the LEADER II programme in the Prefecture of Chalkidiki since 1997, to develop Central and Northern Chalkidiki.

More specifically, the programme aimed at promoting the comparative advantages of the region as well as the marketing of its agricultural products. Rural tourism development was one of the prime aims of the programme. It included significant initiatives for the enhancement of agricultural diversification, the promotion of local produce, new methods of cultivation, processing of agricultural products and the improvement of the services provides in the sector of entertainment, accommodation and catering.

Secondary targets of the program included improving the quality of regional products such as olive oil, olives, honey, laces etc., promoting local cultural heritage and the natural environment.

The Programme Measures referred to:
• Measure 1: Technical assistance
• Measure 2: Vocational Training concerning vocational skills and innovations
• Measure 3: Development of rural tourism through the creation of comprehensive packages and the development of prospects for rural tourism products
• Measure 4: Support to small-scale investments aiming at promoting local regional products
• Measure 5: Modernisation of agriculture and forestry, as well as the support to activities related to traditional local know-how
• Measure 6: Conservation and enhancement of historic and traditional assets to promote local cultural heritage.

The total budget of the programme was 743,286 million EURO. By analysing the measures and actions of the Chalkidiki programme, it appears that most of the funds (46.2%) have been allocated to rural tourism, followed by environmental and cultural actions (16.5%). It is clear that the local LEADER II Initiative in Chalkidiki differs from the global Greek program, since more funds have been allocated to Rural Tourism, Environment and Culture.

Actions concerning the development of rural tourism are focused on the creation of accommodation infrastructures, the diversification of rural tourism products and the establishment of supplementary services fitting the traditional character of the region.

Three categories of Actions were undertaken concerning rural tourism:

Action 1: The modernisation and extension of rural tourism accommodation.
Action 2: The Establishment of Alternative forms of tourism
Action 3: The Establishment of historic and Folk museums

All in all, the LAGs has implemented 37 Projects regarding rural tourism. The allocation of funds to rural tourism actions demonstrates that accommodation prevailed (40.54%), followed by recreation (Table 4). Outdoor activities were less frequent. Within the framework of alternative tourism, activities such as horse riding and mountain biking, along with the beautification of parks etc. were set up.

<table>
<thead>
<tr>
<th>Table 4. Measure 3: Rural Tourism Actions</th>
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<tbody>
<tr>
<td>Actions</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Action 1: Establishment, modernisation and extension of rural tourism accommodation.</td>
</tr>
<tr>
<td>Action 2.1 Outdoor activities (horse-riding)</td>
</tr>
<tr>
<td>Action 2.2: Development of traditional events</td>
</tr>
<tr>
<td>Action 2.3: Recreation (walking trails)</td>
</tr>
<tr>
<td>Action 2.4: Ecotourism (botanical garden)</td>
</tr>
<tr>
<td>Action 2.5: Alternative tourism</td>
</tr>
<tr>
<td>Action 3: Establishment of historic and Folk museums</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: Chalkidiki S.A. 2001

6. Demographic Characteristics of the beneficiaries

Six out of the 12 beneficiaries examined were male entrepreneurs, with an average age of 44.3 years. When asked about their educational background, a significant number (5 out of 12) answered they had a university degree which, however, was not related to their current occupation. Previous occupation did not involve tourism but farming, housekeeping and services in general. For most entrepreneurs (7/12), rural tourism is the main occupation, to which they devote 83% (mean value) of their time. When interviewed, the entrepreneurs expressed their urgent need for training and practice in topics regarding public relations, servicing customers and quality issues.
7. Profile of rural tourism enterprises

Out of the 15 rural tourism accommodation businesses, 12 were private initiatives (2 of which are no longer functioning at present) and 3 were public. The latter were not incorporated into the study population. The survey reveals that entrepreneurs felt that they wouldn't start up their business if the LEADER Initiative had not been applied.

Most of the ventures (8 out of 12) were established between 2000-2001 thanks to the LEADER funding. The accommodation distribution in the LEADER area shows that there are 4 villages in the mountain of Holomontas which form a specific region for rural tourism development. The type of accommodation that makes up the tourism product offered by the private businesses refers to "rooms to let", "traditional guesthouses" and "small hotels" with furnished rooms. Their size is apparently small, due to the philosophy of the programme, with a number of 11 beds per each enterprise. Most of the above types (70%) have 4 rooms.

Apart from accommodation, 7 out of the 12 rural tourism enterprises offer bed and breakfast, and 4 also offer one meal. A number of them cater for indoor and outdoor activities and local traditional products (4 out of 12).

Rural tourism enterprises may be seasonal and employ small numbers of exclusively family members. The total number of the jobs created reaches 23, from which 11 are full-time jobs and 12 seasonal.

8. Clientele

The data collected indicate that the majority of visitors are Greek inhabitants, aged between 26 and 45 (55.9%), who travel on their own, using their own transportation and that they mainly come from Thessaloniki, the nearby big capital of Northern Greece. Visitors coming from abroad are very few.

As far as overnight stays are concerned, the entrepreneurs do not keep data of the visitors' arrival and stays. However, an attempt was made in order to estimate the stays for the last 6 months. It is obvious that in springtime there is an increase in the number of visitors.

It's worth mentioning that the most common way to promote and advertise rural tourism enterprises is "mouth-to-mouth", followed by brochures. A significant number of rural tourism units (3/12) are not using any way of promotion, whereas only one is using the INTERNET.

9. Conclusions

In general, in Greece the official directions for the evaluation of the LEADER Initiative indicated that evaluation should follow two distinct and contradictory lines. On the one hand an evaluation of a 'classical type', following the general guidelines and procedures established for assessing other programmes (physical and financial indicators for evaluating progress, results and impact). On the other hand a 'complementary' evaluation, taking into account the specific LEADER objectives as well some unique aspects (area-based approach, bottom-up approach, local group, innovative character of actions, integrated and multi-sectoral approach, networking, methods of management and financing).

In practice, the implementation frame of the proved to be inadequate as regards the setting up of especially innovative plans and therefore, the high risk to take with respect to the 'conventional' implementation. The evaluation of the Greek programme has marked the trend of the LAGs, especially in the last phase of the programme, to avoid or de-enlist plans which had a negative impact on their absorption rates.

Indeed, in Chalkidiki LEADER gave the opportunity to local communities of mountainous and disadvantaged areas, far from the developed seaside and mass tourism, to use their local resources in order to diversify and improve their economic status, create jobs, improve the organisation.

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Table 5. Classification of Clientele of Rural tourism by Age

<table>
<thead>
<tr>
<th>Age Category (Years)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 25</td>
<td>47</td>
</tr>
<tr>
<td>26-45</td>
<td>55.9</td>
</tr>
<tr>
<td>46-60</td>
<td>28.4</td>
</tr>
<tr>
<td>&gt; 60</td>
<td>11.1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Questionnaire, 2001

Table 6. Classification of Clientele of Rural tourism by place of stay

<table>
<thead>
<tr>
<th>Place of stay</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thessaloniki</td>
<td>58.3</td>
</tr>
<tr>
<td>N. Greece</td>
<td>16.7</td>
</tr>
<tr>
<td>Rest of Greece</td>
<td>18.8</td>
</tr>
<tr>
<td>Abroad</td>
<td>6.3</td>
</tr>
<tr>
<td>Totals</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Questionnaire, 2001

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The area-based approach introduces a process based on the resources and particular needs of each area. The bottom-up approach enables key local players to be involved in a participatory way and takes account of the specific features of each area. The local group is organised in a horizontal partnership, brings together key local players as well as local institutions. The innovative character of the actions, the linkage between them and the multi-sectoral approach all have an influence on the actions implemented as well as their expected results. Networking and transitional co-operation influence the relationships between the local level and the outside world; the financial arrangement influences the flexibility of the programme throughout its implementation and, in many cases, the nature of the projects that can be financed (AEIDL, 1999)
sational abilities and enhance their natural and cultural heritage.

Most of the rural tourism businesses were established mainly thanks to the existence of the Initiative LEADER II.

In general, LEADER results were achieved with flying colours in the area. It stimulated entrepreneurship and initiatives of local people, that would never have been undertaken. It gave the opportunity to a specific region to offer a diversified tourism product and leave a mark on the map of alternative tourism in Greece. Moreover, tradition and environment were protected and enriched with several actions, which otherwise, would have been destroyed.

Nevertheless, all rural tourism enterprises are still at an early stage. They are still trying their first steps with little or no promotion and clustering, either amongst them or with mass tourism enterprises and destinations. They have to develop further and survive in the long term, while sustaining their distinctive characteristics in an area such as Chalkidiki, where the seaside area is well integrated in the global economic system as a mass tourism destination. Therefore, whether these alternative tourism businesses are able not to resist mass tourism and keep their qualitative and authenticity agrotourism features is a matter of concern.

In general, regarding the LEADER II Initiative, the remarks made in the Sociologia Ruralis special issue (Ray, 2000) are open to discussion:

• LEADER-type interventions should be seen as a novel intervention in local development and particularly in market relations.

• LEADER schemes have provided frameworks for new and cross-sectoral actor-coalitions. The danger here is that this entails shift towards a more competitive territoriality in which access to funds becomes the major element.

• LEADER was essentially viewed as an external programme able to channel public funds into the area. LAGs interpreted LEADER as a tool for the promotion and development of their particular sector or territory. LAGs will have to assume the double role of, on the one hand, providing leadership, adapted to the problems of rural areas and, on the other, animating community participation.

• The territorial approach tends to mask inequalities and power relations between social actors within a 'community' by employing a consensus perspective.

• The projects have been co-opted by the hidden agenda of governmental institutions. With LEADER, rural development projects became more politically controlled, standardised and administered.

Such considerations should raise growing concern in view of LEADER PLUS, in order to find ways to implement it more successfully and to set achievable targets for the development of rural tourism and mountainous/disadvantaged areas in Greece.

References


Iakovidou O. 1992. The role of the Women’s Agrotourism Co-operatives for promotion of agrotourism in Greece. SYNERISTIKI PO­ RIA, 27 (In Greek).


