NO PREP

# Tourism & Its Effects

## Economic Growth and Local Impacts

**Includes:** Student reading, case study, differentiated questions, teacher key

Name: Period: Date:

### Tourism & Its Effects: Economic Growth and Local Impacts

**The Rise of Global Tourism**

Over the last several decades, tourism has emerged as one of the world's fastest-growing economic sectors. In 2019, international tourist arrivals reached nearly 1.5 billion, generating over US $1.7 trillion in export revenues. Destinations large and small—from Paris's art museums to Bali's beaches—compete for visitor dollars. High-school students can explore how improved air travel, online booking platforms, and social media have democratized travel, connecting remote communities to global markets. Understanding tourism's growth highlights its role in job creation, foreign-exchange earnings, and cultural exchange, while also hinting at potential strains on local infrastructure and environments.

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### The Rise of Global Tourism

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### Economic Benefits of Tourism

Tourism stimulates GDP and employment in multiple ways. Visitors spend on lodging, dining, transportation, and entertainment, creating multiplier effects: hotel revenue funds local suppliers, while tour operators hire guides and drivers. In small island economies, such as the Maldives or Seychelles, tourism can account for over 25 percent of GDP and up to 60 percent of foreign-exchange earnings. Workers gain entry-level jobs in hospitality, while entrepreneurs launch restaurants, souvenir shops, and adventure-tour ventures. For students, comparing tourism's share of GDP across countries illustrates how service industries drive modern economies, and why policymakers prioritize investments in airports, hotels, and marketing campaigns.

### Negative Impacts & Overtourism

Despite its benefits, unregulated tourism can inflict social, economic, and environmental harms, a phenomenon known as overtourism. Historic centers like Barcelona or Venice see overcrowded streets, rising housing costs as locals sell

properties to short-term rental platforms, and strained public services. Natural sites such as coral reefs suffer from anchor damage and pollution, while wildlife habitats face disruption from safari vehicles. Overreliance on tourism also exposes economies to external shocks: pandemics, political unrest, or natural disasters can collapse visitor numbers overnight. By examining both sides, students appreciate why balanced development and robust regulation are crucial for long-term prosperity.
Table 1: Tourism's Share of GDP and Employment in Selected Countries

**Strategies for Sustainable Tourism**

To mitigate overtourism and ensure community benefits, destinations adopt sustainable tourism practices. Carrying-capacity limits restrict daily visitor numbers at fragile sites, while eco-certifications encourage hotels to reduce energy use and waste. Community-based tourism empowers locals to manage homestays and cultural experiences, keeping profits within villages and preserving traditions. Public–private partnerships invest in infrastructure—public transit, waste management, and heritage conservation—to balance visitor satisfaction with resident wellbeing. Classroom debates on sustainable tourism policies help students critique trade-offs between economic growth and environmental stewardship.

**Key Information**

| Country | Tourism % of GDP | Tourism % of Employment |
|---|---|---|
| Spain | 12 % | 14 % |
| Thailand | 18 % | 20 % |
| Australia | 3 % | 4 % |
| Mexico | 9 % | 11 % |
| Greece | 20 % | 21 % |

**Case Study Excerpt: Overtourism in Venice**

**Venice, Italy, has long enchanted travelers with its winding canals, Gothic palaces, and Renaissance art. Yet by 2018, the city—home to just 50,000 year-round residents—welcomed over 25 million tourists annually. Cruise ships disgorged thousands of visitors at a time, clogging narrow alleyways and imposing heavy wave-action that accelerated erosion of historic stone foundations. Local residents faced skyrocketing rents as homeowners converted apartments into short-term rentals, reducing housing stock for families and workers. In response, Venice's municipal government implemented a series of measures: a cap on cruise-ship sizes and docking times, an online reservation system for popular sites like St. Mark's Basilica, and, from a pilot launched in 2024, a daily entry fee (EUR 3–10) for day-trippers. Revenues fund restoration projects and bolster waste-collection services. Community groups launched slow-tourism initiatives, promoting guided walking tours that focus on lesser-known neighborhoods and local artisans rather than mass-market attractions. While initial pushback arose from tour operators and some business owners fearing revenue loss, early data in 2022, before the entry fee began, showed a 12 percent reduction in day-visitor peaks and improved resident perceptions of livability. Venice's experience underscores the complexity of managing cultural icons: policies must balance preserving heritage and sustaining livelihoods. Students can analyze how fees and quotas affect different stakeholders—guests, guides, hoteliers, and homeowners—and propose complementary measures, such as tourism taxes reinvested in community projects or seasonal event calendars that disperse visitor flows throughout the year.**

1. How did Venice's entry fee and cruise-ship regulations address environmental and social challenges?

2. In what ways did slow-tourism initiatives help distribute tourism benefits more evenly?

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**Multiple Choice**

1. Overtourism primarily leads to:
    a) Higher agricultural productivity
    b) Lower transportation costs
    c) Infrastructure strain and social displacement
    d) Increased GDP growth without environmental or social drawbacks

2. A key strategy in sustainable tourism is:
    a) Carrying-capacity limits at fragile sites
    b) Unlimited cruise-ship docking
    c) Reducing public transit
    d) Subsidizing short-term rental properties for tourists

3. Community-based tourism emphasizes:
    a) Maximizing profits for large hotel chains
    b) Local control and profit retention
    c) Exclusive access for international tour operators
    d) Building more cruise terminals

**Matching**

Write the letter of the correct definition on the line next to each term.

| Term | Definition |
|---|---|
| 1. ___ Carrying-capacity limit | A) Tax or fee on tourist entries to manage visitor numbers |
| 2. ___ Day-trip entry fee | B) Recognition for eco-friendly hotel and tour operations |
| 3. ___ Eco-certification | C) Restrictions on ship size and docking schedules |
| 4. ___ Slow-tourism | D) Maximum sustainable visitors per period |
| 5. ___ Cruise-ship cap | E) Guided walking tours of lesser-known neighborhoods and local artisans instead of mass-market sites |

**Fill-in-the-Blank**

1. Tourism generates revenue that often flows back into local _____.

2. Overtourism can drive up housing _____ in popular destinations.

3. Eco-certifications encourage reductions in energy use and waste _____.

**Short Answer**

Answer each question in 2-4 complete sentences.

1. Explain one economic benefit and one social challenge of mass tourism.

_____

_____

_____

2. Describe how entry fees can fund heritage conservation.

3. Suggest one policy to disperse tourism flows beyond primary attractions.