

## **Turning Peripherality into an Advantage by Using Air Transport and Tourism Policies: The Case of Greece**

Dr Andreas Papatheodorou, University of the Aegean, Greece (corresponding author)  
Tel.: +30 6977 64 68 36, [a.papatheodorou@aegean.gr](mailto:a.papatheodorou@aegean.gr)

Dr Gang Li, University of Surrey, United Kingdom ([g.li@surrey.ac.uk](mailto:g.li@surrey.ac.uk))

Mr Pavlos Arvanitis, University of the Aegean, Greece ([p.arvanitis@chios.aegean.gr](mailto:p.arvanitis@chios.aegean.gr))

### **Abstract**

Air transport is a prominent sector of today's service economy. It comprises the aviation industry (airlines, airports and ancillary services) and the civil aerospace sector (aircraft manufacturing and maintenance). In addition to its well-established linkages with local, regional and national economies, civil aviation is explicitly related to tourism. Every industry with a 'tourism ratio' (i.e. tourism related receipts of a specific sector expressed as a percentage of its total turnover) exceeding 15% may be regarded as part of the tourism sector; in this context, civil aviation is a tourism industry par excellence with a ratio often over 90%. This paper aims at proposing an integrated framework of civil aviation and tourism activities to overcome problems of peripherality and turn it into an advantage. In particular, the disadvantages and advantages of peripherality are first highlighted in conjunction with a theoretical study of evolutionary patterns of tourism flows in the short and long run. Subsequently, the impact of specific EU civil aviation policies is analyzed in the context of Greece, i.e. market liberalization (using secondary data analysis on traffic concentration indexes) and the use of Public Service Obligation (PSO) subsidy schemes (evaluating among others the possibility of developing transnational PSO). Moreover, the importance of fly-cruise tourist products is examined. The paper concludes by proposing a framework of regulatory, competition and collaboration policies to maximize the effectiveness of aviation and tourism into facing peripherality.

### **Keywords**

Tourism; Air Transport; Market Liberalization; PSO schemes; Fly-Cruise; Greece.