Introduction

Tourism is an uncertain industry and in many cases it has been exposed as a giant with feet of clay, as its evolution remains very sensitive to sudden/violent changes in the local environment. Such changes in the macro and/or micro environment in the forms of political instability, revolution and terrorism can greatly influence the future of tourist destinations and their viability. Egypt has had a long history of turmoil and it has experienced political changes that have had a profound effect on the country, its people and its traditionally resilient tourism industry. The recent Arab Spring and a chain of ensuing events and continuous crises however, are testing Egyptian tourism’s bounce-back ability to its limits.

In an era of volatility, instability, political turmoil and extremism, tourism is faced with significant challenges. As tourism is a very vulnerable and sensitive industry, political stability, peace and above all safety, are prerequisites to its wellbeing. In addition, tourists and tourism markets are prone to panic, and events, such as civil unrest and terrorism, can cause tourists to question their decisions to visit certain destinations. In turn, the immediate impact and the short term, midterm and long term aftermath of such occurrences can be catastrophic, not only for the country or destination, but also for the region as a whole. It is not only the economic loss that a destination will have to face; it is also a general sense of instability and economic malaise that discourages investment and inevitably reinforces the cycle of violence and instability as young people especially are left unemployed, with few prospects, and grow increasingly nihilistic and suggestible to extremist ideologies. At the time of writing (2016) no country has been able to completely shield its tourism sector against these impacts. Affected countries and regions inevitably experience declines in tourist arrivals and in tourism receipts.

Egypt is an excellent example of what can happen to the tourism industry in such cases. The Arab Spring and the toppling of then President Mubarak in 2011 saw tourist arrivals decline by nearly a third by comparison to 2010 (a record year for tourist arrivals in Egypt). Based on its unique history and heritage, the country’s tourism industry recovered in 2012, but declined again in 2013 when then President Mursi was also ousted by the Egyptian armed forces. This chapter will show that the media play an important role as they translate political turbulence into tourism decline by reporting negative accounts and images that can create unfavourable
perceptions that appear capable of lasting for years. As illustrated below, in times of crisis, decline is almost inevitable as tour operators and travel agents scale back operations in reaction to low booking numbers (actual or forecasts) and also insurance and liability fears.

Tourism and war, conflict and terrorism

Given the publicity of recent events in the Middle East and North Africa, it is surprising perhaps that Albattat et al. (2013) identified a lack of studies related to the effect of the Arab Spring revolution on the tourism industry. In one recent study Avraham (2015) found that the Arab Spring uprising has had a negative effect on the tourism industry in the Middle East but very little is known about the specific effects of the crisis, for example on individual aspects of tourism or selected markets. This gap has been addressed by the work of Mansfeld and Winckler (2015) who illustrate that the Arab Spring crisis is something never seen before in tourism studies, as its aftermath has been continuing for more than five years, and in addition the crisis is being reconfirmed by new sporadic events and isolated attacks that have dominated the international media as recently as May 2016, with the Egyptair Crash and the controversy over the kidnapping and alleged torture of an Italian student, the most recent examples. So, while international tourism hit record heights in 2015, growing by 4.5% year-on-year to reach almost 1.2 billion tourists worldwide (UNWTO, 2015), Egypt failed to capitalise on this boom, being mired in local and regional events. In the meantime, other Middle East destinations are booming, for example the UAE in the same period saw annual growth of around 3%, welcoming 54 million tourists in 2015 (UNWTO).

There is a plethora of studies related to tourism in war zones and tourism in areas affected by political, economic or financial crises. Tourism and War by Butler and Suntikul (2013) provides a solid basis to gain insight into the inter-relationship between tourism and war. The relationships with and responses of tourism to a crisis represent a fairly new area of study, but the literature suggests that both tourism demand and supply in general, are very sensitive to war, political unrest and/or violence and terrorism, often with negative or even catastrophic consequences (Fleischer and Buccola, 2002; Richter, 1983; Ryan, 1993; Smith, 1998). The example of the former Yugoslavia illustrates this point; it had been a very attractive tourism destination for many Europeans, until the early 1990s when the industry came to an abrupt halt when the civil war started (Timothy, 2013).

War stigmatises conflict zones and severely damages their reputation, not only as tourist destinations (Rivera, 2008) but also as zones for mutually beneficial business exchanges (Podolny, 2005). Additionally, war or conflict may also have severe negative impacts on a country’s institutions, political stability, economic development and harmony among different cultures and ethnicities, again resulting in a reduction in foreign direct investment (FDI) along with the ability to get credit in the international financial markets (Bandelj, 2002). According to Saha and Yap (2014) the effect of violent conflicts or terrorist attacks on the tourism industry is highly dependent on the level of political stability of the countries involved. Those with
lower political instability experience a much smaller impact and are far more resilient than countries with higher political instability (Saha and Yap, 2014). Northern Ireland suffered a major decline in inbound visitor numbers during the years of conflict between 1969 and 1994 because of well-publicised ongoing political unrest and high levels of terrorist activity (Boyd, 2013). Violent conflict or political instability, in whatever form, therefore may have long lasting economic impacts that affect the tourism sector both directly and indirectly (Pizam and Mansfeld, 1996). Terrorism is one aspect of conflict and could be studied under the same prism. While terror attacks in most cases have only short term impacts, continuous political unrest may have a long term impact on local tourism and may result in the degradation of a destination’s image and attractiveness, ultimately shifting global tourism demand from one location to another (Araña and León, 2008). Butler and Suntikul (2013:7) noted Portugal’s and Spain’s booming tourism industries during WWII because of their neutrality in the conflict and how they benefited to a large extent by this displacement phenomenon. Ultimately the effect of conflict and turmoil on a tourist destination can be assessed as a question of resiliency.

Modern tourism is particularly vulnerable to such crises (Blake and Sinclair, 2003; Zahed et al., 2014) and very few (if any) destinations are immune (Blackman and Ritchie, 2007; Faulkner, 2001). Crises may range from political instability, terrorist attacks, war and economic recessions to various forms of natural disasters such as earthquakes or floods (Faulkner, 2001). Studies show that most destinations do not have effective crises/disaster management plans in place (Avraham, 2013; Faulkner, 2001). In theory, organisations should learn from past crises via an organisational learning process to evolve their knowledge, training and preparations in the possible event of another crisis (Blackman and Ritchie, 2007; Borodzicz and Van Haperen, 2002; Faulkner, 2001; Santana, 2004). Santana (2004) states that collaboration between all of a destination’s stakeholders, combined training and learning activities and resource pooling are crucial elements of an effective crisis management strategy to ensure the highest level of what Rittichainuwat (2013) outlines as a perceived image of tourist safety. Scott et al. (2013: 1-3) believe that organisations ought, to some extent, to view crises as opportunities and adapt new strategies in operation procedures, marketing or human resources. Inevitably, cooperation and alliances with different stakeholders, social networking, strategic planning and innovation are at the core of tourism recovery and are proactive key elements in avoiding possible future disasters or crises (Ritchie, 2004; Scott et al., 2013).

It is unrealistic to describe North Africa and the Middle East, in particular countries such as Egypt, Israel, Libya or Tunisia as entirely peaceful regions, even if no formal warfare is taking place (Butler and Suntikul, 2013: 3). Other types of hostile behaviour may include territorial conflicts, religious discords and ethnical differences (Timothy, 2013). For this chapter Egypt shall be defined as a zone of moderate conflict and political instability (Sönmez, 1998) with sporadic violent acts and terrorist attacks throughout the country to be taken into consideration (Saha and Yap, 2014).

Tourism is generally considered an economic sector that requires peace to flourish (Butler and Suntikul, 2013: 1). It is important to acknowledge that tourism, and in