



## Theories of Dependency and Tourism

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### SUMMARY:

The theory of dependency arose and emerged in the 1950s as a contradiction to another theory that prevailed at the time, the theory of modernization. It emerged from the empirical observation of Latin American countries, whose main focus was to investigate the causes of underdevelopment. He argues that the cause of underdevelopment consists of a number of parameters that have a negative impact on conciliation between countries. However, the concern of underdevelopment is not limited only to external influences, but is coexisted and assisted by the presence of internal distortions over time, which do not have the potential to cope satisfactorily in the international economic system. Therefore, the dipole, external and internal effects, are the parameters that create dependency conditions.

While, in the beginning, the theory focused on underdevelopment and a defined production structure of Latin American countries, the advent of tourism and the parallel expectation<sup>1</sup> that it would be a driving force for growth,<sup>2</sup> turned the interest of many countries to the specific economic activity and at the same time the interest of many researchers in order to determine whether this claim, i.e. that tourism will create growth, has empirical verification. The majority of a series of studies from the 1980s onwards show that the tourism industry has such a structure which, combined with structural dysfunctions of the geographical areas receiving tourists, re-induces conditions of dependence and excessive leakage of the profit of tourism activity, while only one study<sup>3</sup> of Angel-Turegano, in limited geographical boundaries and under specific constraints, shows the lack of dependency conditions.

Concluding the present study and with a spirit of positivity, which, however, wants a new in-depth investigation, taking into account other parameters,<sup>4</sup> is the assumption that when parameters that create the conditions of dependence are identified, then tourism also operates under these conditions and is not tourism, as an economic activity, the cause of dependency, at least, to a certain extent.

Purpose: The present study attempts to record the different versions and points of convergence in the theory of dependence and to identify whether its content has undergone changes over the years as a result of social and economic transformations. At the same time, it will be attempted to identify the extent of the impact of the theory of dependency on the productive sector of the economy, which has even been characterized as a pillar of growth, tourism.

Methodology: Approaching the international literature and studies related to the development of dependency theory, as well as the application of theory in the context of tourism activity.

Keywords: Theoretical Framework of Dependency, Underdevelopment, Tourism, Development, Geopolitics

### I. INTRODUCTION

A first thought of clarifying a theoretical framework and, by extension, the theory of dependence, is that it constitutes, or at least must constitute, a set of assertions, universal propositions and rules on the basis of which a question or phenomenon is approached and thus interpreted. In this case, the question or phenomenon that the theory is trying to interpret, or even to seek the causal relationships that create it, is the presence of conditions of dependence. But what are the conditions under which dependency occurs and at what point is the creation of the theoretical background located? Has it remained in

<sup>1</sup>According to the World Bank, the tourism sector provides opportunities for developing countries in the context of the creation of new jobs, the creation of new economic activities and the strengthening of trade. World Bank, 2022 While, according to the World Travel and Tourism Council (WTTC) – 1999, tourism activity contributes to the global economy 11 % of GDP, two hundred million jobs, eight percent of total employment and the forecast of 5.5 million new jobs by 2010.

<sup>2</sup> According to Grabum and Jafari, in the years following the end of World War II, many studies have identified tourism as a tool for development, particularly for former colonial countries. A key feature of these studies is that the majority of their authors were employed in international organisations, such as the United Nations, the World Bank and the Organisation for Economic Cooperation and Development. In the 1960s, the benefits of tourism were non-negotiable, so tourism was identified with the development “Tourism = Growth”, argued that tourism activity brings currency, employment, while tourism costs have a high multiplier effect, which supports local economies and living standards. Grabum and Jafari, 1991

<sup>3</sup> Manuel Angel, Santana Turegano, (2006) Dependency and Development Patterns in Tourism: A Case Study in Canary Island

<sup>4</sup> We refer mainly to endogenous parameters of the destination country which facilitate the perpetuation of conditions of dependence. The ability to simultaneously activate many production channels and not to place economic activity in a productive sector enhances the country’s economic resilience.

constant content over time, but has it been scientifically interpreted in the same interpretative context? These are questions to which many scholars have tried to provide answers even from the perspective of different scientific approaches, and this is where the complexity of the theoretical framework is attributed.

## CLARIFICATION OF THE CONCEPT OF DEPENDENCY

The interpretation of the theoretical framework of dependence will be carried out through the longitudinal observations of the researchers who studied it, as illustrated below. But the main axis of this theoretical framework is the notion of dependency for which it is initially deemed necessary to clarify it. The first consideration in this effort is that the notion of dependency accepts numerous definitions. Caporaso, 1978. But perhaps this reflection does not consist of defining the content of the notion of dependence but in a necessary structural separation between two similar concepts of dependency, as reflected in the international literature. The first concept is represented by the word 'dependence', while the second is represented by the word 'dependency'. Because their exact translation into the Greek language<sup>5</sup> presents a conceptual difficulty, we will record their use descriptively. The word 'dependence' is defined as an asymmetric form of interdependence, whereas the word 'dependency' is defined as the absence of autonomy of the actor<sup>6</sup>. What is the meaning of the phrase "absence of autonomy of the actor". In essence, it constitutes a series of situations that include the following: absence of non-autonomous development potential, either lack of real independence and commitment to foreign influences or the presence of a range of domestic-transnational features. Thus, the expression 'absence of autonomy of the actor' includes a set of characteristics, the most important being the existence of structural internal features which, in conjunction with the inter-State agreements, are referred to by Caporaso as structural distortions. Caporaso, 1978 This is a term which includes the numerous ways in which a regional economy is structured to meet the needs of the foreign sector<sup>7</sup>. We are not just referring to an exogenous effect, but to something much more important, we refer to the presence of endogenous effects, which, in combination with the exogenous ones, produce the structural distortions.

The clear conceptual separation between the two similar concepts is made by scholars *Dos Santos and Brewster (1970)*. According to the first, "dependence" means a situation in which the economy of a given country is regulated/determined by the development and expansion of another economy, to which the former is subject. This interdependence between two or more economies and combined with global trade creates the notion of "dependence". In this way, a dipole is created, consisting of countries classified as (sovereigns), which are thus extended and maintained as autonomous, while other (dependent) countries can do so only as a reflection of this expansion. The outcome for dependent countries can be positive/negative for their development. *Dos Santos (1970)*

At the same time, Brewster defines "dependency" with the help of the notion of "dependence", which he defines as the absence of a country's ability to manage operational elements of its economic system. This situation is characterized by the absence of interdependence between economic functions within the internal system. In this absence of internal interdependence, it is suggested that the internal system of the 'regional' countries does not present internal dynamics in order to activate functions as an independent and autonomous entity. Brewster, H: 1973

Thus, the term "dependency" is equivalent to a kind of non-autonomy based on the absence of interdependence between the productive sectors of the domestic economy on the one hand, while on the other hand, the effect of external economic activity is identified. Thus, the term "dependency" describes countries that have an anatomy of economy fragmented in conjunction with an external anatomy carried out through its response to foreign economic activity. *Cardoso, 1982*

In summary, we identify three sets of parameters, which are necessary for the existence of dependency conditions, according to Caporaso: *Caporaso: 1998*

### **Degree of dependency:**

A large part of the needs are covered from abroad.

A large share of the markets is foreign.

Large ratio of foreign-to-domestic capital, technology.

### **Measures based on specific options:**

Choosing a specific economic orientation on which a large part of the economy is based

High Opportunity Cost – Selection of Other Production Channel

Small and deactivated opportunities for diversification, for selecting and exploiting other production possibilities

<sup>5</sup> The English word "dependence" translates into Greek, as a dependency, while the word "dependency" is translated as, vassal, dependent. In this study and due to the pre-existing difficulty of conceptual clarification and translation of the meaning into Greek, it was preferred to enter English words in the text. Based on this practice, "dependency" can be considered to be the condition or act of being dependent, subject, while "dependence" will be considered to be the degree of relying on a third party. Rizos J, 2004

<sup>6</sup> These are definitions given by Caporaso, in particular in his study "Dependence, Dependency, and Power in the Global System: A Structural and Behavioral Analysis" makes a clear distinction between the two concepts. In particular, the term "dependence" is used in a general context, of interdependence or of mutual dependence, whereas the notion of "dependency" is used in the context of the absence of autonomy.

<sup>7</sup> Latin American countries export local agricultural products such as coffee, tea and sugar to the metropolitan countries.

Commodity concentration of exports and commodity concentration of all domestic production.

#### Internal warp parameters:

Lack of integration between economic sectors of production

Lack of responsiveness of production structures to growth/decrease in demand

Response to exogenous generated demand

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## CREATION OF THE THEORETICAL FRAMEWORK

In this section we will record the timeless changes and define the content of the theoretical framework of dependency. Initially, the analysis focuses on the time after the end of World War II. During this period, the first attempts to reconstruct the countries concerned are also identified<sup>8</sup>, while there is a strong interest in bringing them closer, fearing that they will not move to an opposing camp<sup>9</sup>. Thus, the effort of reconstruction through the development of specific geographical areas and their strategic approach in order to achieve it coincides with the birth of the theory of dependency. Therefore, post-war conditions, development and strategic approach in the context of the creation of zones of influence and geopolitical control, constitute or should constitute two constituent elements of the theory of dependence.

Andre Gunder Frank, one of the theoretical sociologists and economic historians who initially studied the issue of countries' development from a historical perspective, notes that understanding the issues of development must be analyzed into the causes of the emergence of underdevelopment conditions. He strongly criticizes modernizing theorists, such as Rostow, who argues that growth is achieved during the transformation of a traditional economy in the context of the practices of developed countries, thus outlining the frameworks for the functioning of the capitalist system. In his article "The development of underdevelopment" he notes: "*We cannot hope to form an appropriate theory of development and policy for the majority of the world population, which suffers from underdevelopment, without the knowledge of how the past, i.e. their economic and social history, led to their underdevelopment*" Frank 1966:17-31 On the above view, Frank has already identified that there were geographical areas suffering from underdevelopment and that the root cause of this should be sought in the economic and social path of these regions. Opening a parenthesis we will observe that for the second time with the birth of this theory, the phrase "growth or underdevelopment" is identified, while gradually a strong critique of a theoretical framework of interpretation of development already existed.<sup>10</sup> According to the above reasoning, the constituent elements of the theory of dependency consist, in the development or conditions that cause lack of development, of a deficit theory<sup>11</sup> and the strategic approach of countries. Therefore, the above components must or should form the basis of this theoretical framework we are studying.

Frank was certain that the conditions of Latin America's underdevelopment are the result of the global capitalist system. In the same article "Development of underdevelopment", he notes: *The presence of underdevelopment of Latin America is the result of a long participation in the progress of global capitalist development, I believe, I have seen it in the case studies of the economic and social history of the countries of Chile and Brazil. Brazil, perhaps the purest form of the national and regional development of underdevelopment, the expansion of the world economy since the beginning of the 16th<sup>century</sup> resulted in the transformation of several regions of Brazil into export economies, incorporating them into a structure of development along the lines of the world capitalist system. "for each of these regions all this development seemed to be economic, but in reality it was only a satellite development, a development which is neither self-made nor evolving."* – Frank (1966) :17-31 Thus, Frank, with regard to the context of the existence of conditions of underdevelopment, considers that the root cause lies in the structure of the global capitalist system, since he himself sees the economic and social differentiation that the two countries of Latin America, Chile and Brazil have suffered. In order to specify the root cause of underdevelopment, it creates two concepts: "Metropolis Chora" and "Satellite Country". He considers that it is the Metropolises that have a strong industrial activity, while the countries Satellites, producers of raw materials and agricultural products, are the feeders of the first<sup>12</sup>. Thus, a mechanism of directed commercial transaction between the Metropolises and the Satellites is created, a treaty that favored the Metropolises. Frank therefore lays the foundations that the root cause of the underdevelopment of countries must lie in the existence of the influence of external factors and not on factors related to their internal structures, economic and social structures.

The idea of creating Frank's "Metropolis Country" and "Satellite Country" is found in a different formulation in an earlier study by Raul Prebisch on economics and the title "Dynamic theory of economics". In it he summarizes his view that the development of the capitalist economy does not converge towards equilibrium but continues a state of unbalance. From this perspective economic growth is not beneficial for all, it does not lead to the condition,

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<sup>8</sup> Doutopolos, p. 31

<sup>9</sup> The phrase "adversary camp" may sound superfluous, for a period of time, immediately after the end of World War II, a period of time when there should be a relative optimism about the future of international relations. However, Germany, soon after the war, essentially turned into a geographical area of competition between the Western and the USSR. A series of historical events, a civil war in Greece (1947), the Western fear of the non-extension of the USSR to the Mediterranean through the prevalence of communism in our country, led the United States with the Truman Doctrine (1947), to help Greece significantly economically and militarily, at the price of the external influence on the country's decisions.

<sup>10</sup> It is the theory of modernisation which argues that the path to the development of 'lagging' countries takes place through the modern way of interacting between economies, thus isolating local/internal, political and social practices.

<sup>11</sup> The theory of dependency acted as a counterversive to the theory of modernisation, which was considered to be deficient because of its inability to explain the conditions of absence of development.

<sup>12</sup> It is essentially an access of the powerful to the natural resources of other countries. Their exploitation, in products such as oil, raw materials, was aimed at supplying the powerful, thus creating selected production channels for countries (producers) and a specific freight route for consumer countries.

optimal according to Pareto,<sup>13</sup> which was not predicted by neoclassical theory. He explains what happens between a consumer-retailer-wholesaler: *We already know that profits accumulate during the various stages of the production process. When the retailer acquires products from the wholesaler, the former pays to the second, all previous profits. Therefore, the consumer pays the retailer the profits and also refunds all profits made during the production process.* Frank (1966): 17-31

At this point he introduces the concepts of 'center' and 'periphery' by essentially renaming his theory 'Dynamic centre-periphery theory', which argues that the region has as its exclusive activity the production of raw materials, which are exported to the centre, in exchange for finished products. Thus, based on this function, the profits of the stages of the production process, wholesale, retail and final, are earned and spent in the centre. Therefore, in a transaction between the centre and the periphery, the profits of the raw materials made in the region are essentially transferred to the centre and the demand for the products of the centre will be considered as twofold, it is a demand of both the centre and the periphery, adding another benefit. At the same time, in the context of the commercial transaction between the centre and the periphery, it is observed that the region will be classified, for the time when Prebisch is considering, as a dollar, since any transaction is carried out in the currency of the centre.

Prebisch and Singer published the infamous Ps Ipothesis hypothesis in 1940, a theory that has been regarded as true by later scholars. According to this, raw material prices are gradually decreasing relative to the prices of finished products over the long term, resulting in countries relying on the production of raw materials gradually worsening their economic situation. All of the above findings were considered by Prebisch as the root cause for the presence of conditions of underdevelopment.

In his effort to recover the Latin American economies and because of his position in the Economic Commission for Latin America and the Caribbean (ECLA) and his views, he made very brief interventions to control the exchange rate, stimulate domestic production and demand, replace imports and develop parallel export networks. In particular, for his last intervention, the sale of raw materials to the centre would be allowed but the financial profits would not have to be spent on obtaining finished products from the centre.

At this point there is a question as to whether the above interventions are feasible, i.e. whether a country "region" could export the raw materials and then replace the imported finished products with its own production process. There are three malfunctions that make this journey difficult. A "region" country consists of a small internal market that is unable to follow economies of scale, making it impossible to keep prices at a low level. Thus, the prospect of creating consumer products in the internal market will be considered uneconomical. The will is a second dysfunction, let us not forget that historically a country "region" has turned towards the production of basic raw materials and may appear to some extent a difficulty in transforming the existing production process, while the third dysfunction is the result of the latter, under the view that historically the bases for the production of raw materials and their exclusive disposal to obtain any benefit to the countries 'centre' have been created. Thus, while, in the short term and on the basis of the above interventions and other protective policies, statistical data on development and economic growth are reflected, however, economic stagnation, unemployment, inflation and negative balance again emerged.

Prebisch, in his attempt to understand the phenomenon of underdevelopment of Latin American countries and due to the presence of conditions of underdevelopment in Argentina, despite the fact that protective measures have been taken, concludes that there is a capitalist structure of exchange, which not only does not allow growth but much more imposes lasting conditions of underdevelopment.

After two first major theorists who historically capture (Andre Frank) and economics (Raul Prebisch) the conditions of the underdevelopment of some countries, it is no longer difficult to form a theoretical framework, which includes the cause(s) of underdevelopment and much more to attribute these causes to the functioning of the capitalist system. Its content will include development, or rather, underdevelopment, since it is found in both the first two scholars of this theory, with a basic assumption that the conditions of underdevelopment are identified as a result of an external effect of unintentional or intentional effect and not in a delay, that is to say, internal distortions, as argued by the proponents of the theory of modernization<sup>14</sup>.

Although the two above-mentioned scholars of the theoretical framework of dependence did not ascribe a clear definition, only its content, in the international literature a later scholar, Theotonio Dos Santos, in his study "The Structure of Dependency" captures a thought which converges with that of Prebisch and Andre Gunder Frank and defines dependency. Thus, according to Theotonio Dos Santos: "*Dependency is a historical situation that affects a particular global economic structure and has the effect of being harmful to some countries by limiting their development potential..... it is a situation in which certain groups of countries depend on the development and expansion of another economy, to which they are subject.*"<sup>15</sup>

Santos says: The historical form of dependency is governed by:

- I) *One of the basic structures of the global economy that has its own rules of development.*
- II) *From the types of economic relations of the dominant capitalist center as well as the way in which it develops*
- III) *Of the types of economic relations that exist within the periphery of countries and which are integrated into situations of dependence through the network of international economic relations, which is created on the basis of capitalist expansion.*

<sup>13</sup> Pareto's best practice is a condition in which available resources are used in such a way that it is impossible to improve one's well-being without reducing someone else's well-being.

<sup>14</sup> It was common belief among the modernist theorists that the root cause of the backwardness of the countries of the South was mainly due to their non-adaptation to the global capitalist system and their stay in the narrow local social frameworks of production and consumption.

<sup>15</sup> As Holden wrote: Exchange relation between historically powerful metropolitan states such as US and many Western European Countries and their dependent satellites, for example countries of Latin America, Africa and parts of Asia. Holden, 2005:112

*Theotonio Dos Santos, 1970:231-232*

Dos Santos, based on the above historical version of dependence and in order to understand the relations that develop in the global economic system while interpreting the conditions of development/underdevelopment of specific countries, first identifies a basic or basic operating structure of the global system which has adopted its own development practices, which are none other than the practices of capitalism. This practice creates a powerful economic centre which is on a continuous development path. By opening a parenthesis and wanting to justify the phrase “permanent development,” we will refer to Marxist theory, which accepts the constant development of capitalist countries as a result of their practices at the expense of developing countries. At this point, Dos Santos also refers to the practices of the internal economies of the peripheral countries, which have been incorporated into the international system of economic relations. Therefore, his view of dependency, as regards the internal economy of dependent countries, converges with the view of Prebisch, who identified either a state of weakness or difficulty in adopting new development practices outside the international network. Because Dos Santos traced the longitudinal course of dependency, he states that it has changed forms and captures three different typologies.

The first is colonial dependence, in this typology, foreign trade, the commercial and economic capital of the sovereign country monopolizes relations through the monopoly of land, mines and human labor. The second is industrial-economic dependence, it is the classic example of the Latin American countries, which have become key exporters of raw materials for the creation of industrial and agricultural products to the countries of Europe. At this point, the newer time conditions of the creation of dependency are also shown. The adoption of the above practice, on the one hand, exaggerates an economy, on the other hand, the products produced have a specific channel of disposal, with little choice of price setting. The result of the above practice leads to the third typology of dependence, technological – industrial dependence. The question of the industrial development of the regions of the countries, we raised in the previous paragraph in our reference to Prebisch’s attempt to replace imported industrial products. The answer to the question, if the industrial development of these countries is feasible in the present circumstances and in the Dos Santos version, is negative. His rationale is based on the view that industrial development for the *regions* is restrictive and explains how the world market is lowering the prices of exported raw materials and agricultural products, while at the same time increasing the prices of ready-made products, thus creating a deficit conditions for the regions. On the basis of this premise, there are no funds necessary for the acquisition of industrial equipment and their acquisition to finance developing economies, when it takes place, entails unfavorable economic conditions. It is a fact that the know-how of the industrialized countries is not available in the context of a commodity transaction but presupposes the presence of the foreign element within the regional countries, in the form of investments by multinational companies with the appropriate facilities, such as cheap labor, reduced taxation, interventions in labor and insurance legislation. According to Dos Santos:

*“Understanding the system of reproduction of dependence consists of the existence of a global economic system based on monopoly control and control of specific economic and financial centres, which create conditions of imbalance between national-international dipole.” – Theotonio Dos Santos, 1970:235*

On the basis of this view, monopolistic control of capital and technology deprives developing countries of the appropriate conditions of development and limits them to specific dependent production channels.

Samir Amin focused and dividing countries, typical of previous scholars, using the concepts of ‘centre’ and ‘periphery’, with the centre having its own structured production structure. The region is confined to the acquisition of foreign exchange in the productive-export sector, where it gives all the weight, without the development of other production capacities, while Amin’s thought consists of cutting off the links of these countries to the world economic system.

Cardoso, Faletto and shortly thereafter Enans, influenced by the former, consider that in third world countries there is no homogeneity in social structures or in the influence of colonialism. Cardoso therefore wished to attribute, perhaps, in order to reflect a different degree of dependence between the countries concerned, a historical dimension to that theoretical context. This different degree of dependence recorded in his observations attributes it to the internal structural characteristics of countries, thus introducing political and social differentiations, thus moving away from the point of view that dependency is not or is not just an external effect. The varying degree of dependence, and due to the different social and political structures of the countries concerned, has led it to introduce the concept of ‘dependent development’. Enans studied Brazil and coffee trade and its relationship with developed countries. It defines growth in a way, sees it as dependent, and attributes it to an elite group, which deals with the developed country, Great Britain, for example. The Elite team thus acquires the opportunity, in the context of their cooperation, in this case, with Great Britain, to reap benefits. Therefore, it is obvious that a small group alone gains a certain benefit from the conciliation between the two countries but that a large part is returned through the purchase of foreign products in the developed country.

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## **THEORETICAL FRAMEWORK OF DEPENDENCY**

The presentation of views on the underdevelopment of specific geographical areas from the perspective of the above scholars and the attribution of causes creates the theoretical framework of dependency. In this theoretical context, three main features are identified: The first is the existence of the global system, a system which divides countries into two sets, *regions* and center *countries*, *sovereign* and *dependent* countries. The second feature places considerable emphasis on the intervention of foreign powers in the economy of dependent countries, whatever form it takes, either as the imposition of a specific production process, or as a restriction on the movement of capital and the fixing of the prices of certain products. The third feature is summarized in a historically predetermined and defined course of dependent countries that maintain a kind of trade conciliation that enhances inequality patterns.

We find that the theoretical framework of dependency is structured in the above characteristics, while we have already expressed the view that dependency is not a theory but attempts to unify, as Samir Amin says, at least three theoretical schools, assuming that the common points are clearly more than those that differentiate them.

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## **THEORETICAL SCHOOLS AS A SOURCE OF INSPIRATION FOR THE THEORETICAL MULTIPLICITY OF DEPENDENCY**

The theoretical framework of dependence would not be inappropriate to say that it incorporates or rather receives elements from Marxist theory, structuralist theory and the theory of world systems. In order to understand the interconnection of dependency theory with the aforementioned theories, we will analyze them very briefly.

We start our analysis from Evans' point of view, according to which, structuralism studies changes in growth on a global scale and understands what policies should be adopted towards the most desirable path. Evans, 2017 At this point it should be noted that the exact structuralist thought and its impact on the theoretical framework of dependence appears in Raul Prebisch's study and in the creation of the concepts of 'centre' and 'region' analyzed in a previous paragraph, emphasizing structural differences between countries. Wanting to unify the assumptions of Evans and Prebisch, we will admit that essentially structuralism accepts that the market in developed countries does not work collectively, especially in the trade of raw materials and the labour force, but has a key – leading role in the field of industrial products.

Turning to Marxist theory, and according to Evans, Marxists accept that it is almost impossible to escape the distortions and limitations of development in the *periphery* without the alternative to socialism. In the first volume of the essay *Capital* and in Chapters 24 and 25, Marx describes the relationship between rich and poor countries, while in Chapter 20, Volume 3 of the same essay, he states that commercial capital acts as a factor in productive capital, considering that the international division of labor constitutes a separation in the measures of the countries – leaders of the "centre" and a new industry which transforms agricultural products on the one hand, so that on the other hand it supplies industrial products. *Chilcote, 1989*

Immanuel Weilerstein, as a sociologist began to study issues of development in the African continent and refers to a theoretical scheme he calls the "global system". This brings together unequal trade between underdeveloped and developed countries, based on unbalanced conciliation of cheap export products from the former and expensive imported from the latter. The specific situation created, far from beneficial to the underdeveloped countries, was thus creating positions of leaders and dependents in world trade, while also identifying the introduction of foreign capital and the subsequent exploitation of the cheap labor force.

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## **CENTRAL POSITIONS OF THE DEPENDENCY THEORETICAL FRAMEWORK**

The first sentence of the theoretical framework of dependency relates to the concept of development and in particular to the conditions of its absence. As reflected in the previous paragraph, the absence of growth is divided into two different situations from the point of view of production. Thus, in cases where a country does not make full use of all its productive forces, we refer to conditions under development or non-development. On the contrary, if resources are actively used but used in such a way as to benefit sovereign countries, we are talking about underdevelopment. The second sentence is relevant to the above distinction and which is specific to the historical context of these countries. Thus, the countries that are, at this point, we will use the result of the absence of growth, poor, do not face this situation because of their delay in structural transformations, but treat it as a result of their 'forced' integration, in a global system as exclusive producers of raw materials or as cheap labour. Dependency theory suggests alternative uses of available resources rather than limiting use exclusively within the structure they impose

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## **LINKAGE OF DEVELOPMENT<sup>16</sup> AND THE THEORETICAL FRAMEWORK OF DEPENDENCY**

Underdevelopment and Undevelopment accept a clear distinction in the context of their conceptual definition. Thus, the underdevelopment is characterized, on the one hand, of economies which do not have any commercial contact with industrialized countries, on the other hand, the degree of use of production factors, whether limited or lacking know-how. In the countries classified as undeveloped, the commercial transaction element exists and for this reason, Faletto and Cardoso have differentiated the concept of Underdevelopment and Undevelopment on the basis of the context, not only of production but also of trade. In particular, they placed the differentiation between Underdeveloped and Undeveloped countries, based on their function and position within the international economic structure of production and distribution. *Faletto-Cardoso, 1979* According to this premise, the function and position within the global economic system are the elements that determine the separation between underdeveloped and Undeveloped countries, and

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<sup>16</sup> Although the purpose of this study is not to analyse the concept of development, because we study, among other things, 'why', there is no evidence of development in all countries, it is necessary to clarify it. According to Sharpley, development is a process of moving from one situation to another and achieving a desired goal. Initially, it was identified with economic growth, it was considered that the increase in economic indicators, GDP and employment are elements of growth. Later, the United Nations included the human factor outside the economy as part of an adequate standard of living, health and education. (UNDP, 1990) While Goulet identifies five dimensions of development. The first is the economic dimension, i.e. the creation of wealth and the collective access to it. The second is the social dimension, with reference to an adequate level of health, education, employment and living. The third dimension identifies and recognises human rights, the creation of political freedom and choice of a political system that recognises the needs of citizens. Sharpley, 2002. In essence, development is a multifaceted concept which includes not only the economic growth of indicators, GDP, employment, trade balance but also the so-called social indicators, such as the level of health, education, living, while seeking and recognising the political and cultural identity and freedom of all citizens.

that the first undeveloped countries are those that have trading links with the international economic system. The views of previous scholars that the cause of Underdevelopment must be attributed to the primary production process and to a parallel low degree of differentiation, combined with an international conciliation, according to Cardoso-Falsetto, are not sufficient to understand underdevelopment. *“Understanding the historicity of undergrowth it is necessary more than evidence of the structural characteristics of undeveloped economies, it is necessary to analyze how these undeveloped economies have historically been associated with world trade and how internal social groups accepted – assimilated the conditions of underdevelopment” – Faletto-Cardoso, 1979:17*

Therefore, Faletto-Cardoso, in addition to the economic connotation of underdevelopment, wanted to explore it historically as well as sociologically, thus making another connecting differentiation and at the same time distinguishing the concepts we recorded in the above paragraph, ‘region’ and ‘centre’. Above all, they mention that at the social political level the dependency took place historically with the parallel expansion of the economies, the new incoming capitalist countries. An extreme version of it, identical to that of colonialism, is the case where the decisions of developed countries affect the mode of production and consumption, while at the same time assign a social connotation to the concepts of “centre” and “periphery”. This gives particular importance to the concepts of “centre” and “region” and reflects a clear distinction between the first set of concepts and the set of “developed” and “underdeveloped economics”.

*The concepts of ‘center’ and ‘periphery’ directly incorporate the idea of an unequal position and function within the same system of production. While the idea of dependence refers to conditions under which, in itself, an economic and political system can exist through functions and two-way transaction with the global system. Finally, the idea of underdevelopment refers to the degree of differentiation of the production system, without keeping up with the effects, ‘either internal (colonialism, world trade) or external parameters (colonialism, periphery)’ of the control of choices in production and consumption. Cardoso, F. H. and Faletto, E., 1979*

Therefore, in an attempt to interlink the concept of development and the theoretical framework of dependence, Cardoso-Faletto believes that the analysis of the presence of Underdevelopment must be correlated with the way undeveloped countries have historically linked themselves to world trade. This assumption therefore leaves an open possibility for underdeveloped countries to enter the global trading system, without the presence of conditions of dependence. If the above version is true, then the idea of underdevelopment may refer to the degree of differentiation of the productive system or better to the degree of sensitivity of the economic system to external influences.

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## CRITICISM OF THE THEORY OF DEPENDENCE – THE IMPORTANCE OF TODAY

Dependence theory also emerged as a critique of another theory related to development, the theory of modernization. Next, then, is the theory of dependence itself to be criticized, perhaps due to the complexity and content of the concept. According to Lall, dependency theory could be an analytical tool if it met two specific criteria. The first relates to the identification of characteristics of ‘regional’ economies which are not identified in the ‘central’ countries and the second that these characteristics cause underdevelopment in the ‘regions’ countries. Lall argues that the theory of dependence does not satisfy these two criteria and that it more analyses situations of capitalist development, while Johnson and O’Brain have similar views. In particular, the former argues that addiction acts as an interpretive joker card – ‘Interpretative wild card’, to surprise and fool opponents, the best card in a deck, while O’ Brain describes it as a pseudo-context, which interprets everything in general and vaguely and nothing in specific sentences. The assumption that poor countries remain poor as a result of their dependence on other countries and that each trait identified is attributed to dependency, results in this theoretical framework being categorized as cyclical/repetitive. However, critics of the theoretical framework of dependence do not consider that it is the historical structure of production that causes dependence in combination with external interaction. The bases of this perspective are the views of dependency theorists, Cardoso, Dos Santos, that the core of dependency theory must be the analysis of an internal peripheral dynamic in combination with the external dynamics of the center. According to Fisher, the search for “internal and external relations interacts in order to strengthen certain characteristics of industrialization, which in turn constitute the key to the theoretical framework of dependence.”

The theory of dependency, it would not be inappropriate to say that it has been marginalized and questioned, it should be mentioned in our days. The answer is that certainly yes, even if it still needs a renewal and parallel adjustment, in order to interpret the asymmetries and constraints of the global economy, which are responsible for the development backwardness of countries. Despite the prevalence of a different/differentiated changing global economic system, the question of the technological lag, the terms of trade, the unequal nature of capitalist development, the selected forms of production, the division of labor, constitute developmental regional concerns that find appropriate ground for analysis in the theoretical framework of dependence.

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## CONCLUSIONS

The creation of the theoretical framework of dependence has as its central core the development or rather the search for the causes of underdevelopment. From this perspective, the theoretical framework of dependence searches for causes and tries to interpret underdevelopment. It was originally created as a response to the previously prevailing theory of modernization, which failed to interpret the causes of underdevelopment in the context of conciliation between underdeveloped and developed countries. The historical economic path of the countries of Latin America under study since colonialism gave rise to the explanation of the causes, essentially giving the answer to the question “why,” these countries remain underdeveloped. From this point on, several theorists in the field considered that the root cause of underdevelopment was due to the unequal conciliation between developed and underdeveloped countries. That is, the external effect, or rather the way in which the external effect is carried out, was the root cause of underdevelopment. In order to answer the question, why underdeveloped countries accept this unequal conciliation on external influences, it was considered that these

countries either did not have the ability within the global system to cope with and develop with their own strength, or the habit and a specific way of thinking, based on colonialism, kept them stuck. Therefore, in addition to the external effect, an internal inability to isolate the external effect is also identified. Thus, the theoretical framework of dependence combines the external influences which are in some way imposed but pre-existing or co-exist and the element of loss of an internal dynamic that would be the driving force for autonomous development and not dependent where the benefit is determined/regulated within the framework of the sovereign country.

## II. TOURISM AND THEORIES OF DEPENDENCY

According to data from the World Tourism Organization, total tourism revenues “as exports” (2003) amount to \$1.6 trillion, with an estimate that domestic direct tourism output reaches \$3.3 trillion (2023). *UNWTO, 2023* Based on these and past statistics combined with numerous studies, it is recognized to some extent that tourism is a growth industry that guarantees economic growth and social equality and prosperity, with the main benefits of tourism reflected in foreign exchange, balance, employment and specialization of economic activity. Therefore, tourism as an “industry” would not be inappropriate to say that it is, to some extent, a mechanism for development.<sup>17</sup>

In the first section and in the search for the theoretical framework of dependency, it was established that it cannot be founded without development. Essentially the absence of development, or else the presence of underdevelopment, is attributed to the presence of conditions of dependence.

In the second section of this study we will be concerned with the presence of growth. Of course, we will not attempt to analyze economic indicators in order to establish the possible interconnection of development/tourism, this would be outside the limits of this study. However, in view of the possible interconnection of the theoretical framework of dependency, in the context of tourism activity, we will look at the causes that countries active in tourism do not record or record low growth indicators. So we start our analysis with a question: did tourism in third world developing countries act as a growing mechanism? and if the answer is positive, to what extent has it worked since social inequalities and longitudinal economic pathologies are identified? This question essentially develops a reflection analogous to the problem of the underdevelopment of the countries of Latin America, which were recorded in the first section. At this stage we will only be concerned with the triptych, tourism, development and the theoretical framework of dependency.

According to Britton, *“Economists who research tourism development programs tend to look at the benefits in terms of expected profits that they contrast with the costs of the related programs. Thus, their analysis is carried out/limited within the framework of the tool, social cost-benefit or even to what technical issues, such as forecasting tourist flows. All of these studies are important, however they have a common deficiency. The debate on tourism is formally cut off from the historical and political process that determines the development [...] the controversy over the advantages and disadvantages of tourism takes place without the interlinking of the theories of political economy that refer to the continual conditions of poverty and inequality between and within countries”* Britton, 1982, pp. 332 According to Britton’s admission, the foundations for the interconnection of tourism and development are laid in the perspective of the continuing conditions of poverty and inequality within countries active in tourism. Therefore, understanding the international tourism phenomenon requires not only the knowledge of the creation and operation of the tourism industry, but, above all, the search for the country that benefits from this dynamic conciliation, with a strong interest in the host country, in order to determine to what extent development trends are identified and why conditions of persistent poverty and inequality are identified.

Who benefits from the structure of the tourism industry, the way it operates, affects all host countries to the same extent or there are also cases of countries favored by tourism and if so under what conditions. The above considerations are questions to which we will attempt to answer on the basis of studies, with the assumption or expectation, this also reflects the shift of underdeveloped countries towards the tourism industry, that tourism will be or should be the driving force for the creation of foreign exchange, employment growth, investment approach and economic independence. Britton is categorical and believes that underdeveloped countries are unable to achieve growth through the tourism industry because of their structural characteristics, and based on a series of previous studies, he identifies a deficit structure and functioning of the tourism industry. (Britton, 1982) This is an important assumption, which, if it has empirical verification, interlinks the theoretical framework of dependence with the tourism industry and the lack of development of countries active in the tourism sector. Essentially, it is the extension of the theoretical framework of dependency as an interpretation of the presence of underdevelopment countries that we studied in the first section but with individualization and expansion in the tourism sector.

Britton argues that developing third world countries face structural distortions in their economic and social organization as a result of a degree of exposure to the imperialist/colonial influence<sup>18</sup>. This influence imposes on so-called “regional” countries, a specific structure of production process and social organization that satisfies the economic and political demands of colonial power. Britton, 1998, p. 333 Therefore, Britton adopts the assumption of a historical process responsible for creating a degradation and at the same time dependent internal economy of developing countries under the influence of developed countries. This implies that the structure in the collective economy of the developing countries has already been affected, with the aim of finding the degree of benefit from the exploitation of the tourism industry.

At this point it is necessary to reflect the structure and functioning of the tourism industry. The gradual increase of tourist flows introduces large capacity companies able to organize and manage tourist flows. Of the influence of this structure of the tourism industry, notes Britton, the example of Australia. The choice of Australian holidays on a tropical island can be twofold, on an Indian or Pacific island. Automatically, this option creates the mediators thus giving them an advantageous position since they are placed between the tourist flows and the islands. Thus, tourism companies that largely belong to the

<sup>17</sup> WTTC, 2019 and Note 1

<sup>18</sup> Holden in his book “Tourism, Poverty and Development” recognises that colonialism, capitalism, poor governance, deficit structures and population growth combined with resource reduction pose significant challenges to poverty reduction. Holden: 2013



country of departure are able to influence tourist flows. The main mechanism of influence of these companies is carried out through international transport. According to Hivic & Heibert, the majority of tourists in order to visit Pacific islands will have to use the services of air and shipping companies belonging to the country "metropolis". Hivic & Heibert, 1980 While a similar practice is reflected by Britton, according to which for 1978, 80 % of the aviation market share for the Fiji island cluster is allocated to two foreign airlines, Quantas (Australia) and Air New Zealand (New Zealand) Britton 1981 Regional airlines attempting to gain market share of tourism transport, such as Air Pacific and Polynesian Airways, face high operating costs, low capacity, strong competition from metropolitan airlines, while accepting the influence of foreign administrations. Britton, for the time he is considering and for specific geographical areas, points out that the route of tourist flows is determined by the metropolitan travel companies and that most of the travel of tourists is carried out with airlines and shipping companies of the metropolis. Even the two regional airlines seem to occupy a very small share of the total transport market for tourists, with high operating costs and managed by foreign administrations. The majority of metropolitan tourism companies in order to guarantee the provision of high-quality tourism services, and given the inadequacy of the primary production sector as well as the construction of the host country, force these countries to establish a close relationship of dependence in the import sector. A characteristic feature of dependency is the statistics captured by Britton & Varley for Fiji. 53 % of the provision of hotel meals, 68 % of hotel constructions and 95 % of tourist markets are imported supplies. (Britton 1982, Varley 1978)

Lenfant, in agreement with the above data, finds that the tourist activity of the host countries is based on the narrow frameworks of the national economy, which will be considered as pre-industrial. In other words, there is a structural feature in the host countries, which does not coincide with the requirements of international tourism. International tourism, Lenfant says, owns an all-powerful industry that is able to handle high-level marketing techniques. With a basic pillar of the tourism industry, tour operators, who are tasked with managing a plethora of services and a multinational network, are placed in a leading role<sup>19</sup>. Lenfant, 1998.

However, the above practices also have to answer the question raised in the previous paragraph, that the tourism industry, at least for the reference period and for specific geographical areas of study, is obviously organized in such a way that not only does it not highlight and benefit the destination but greatly benefits the countries from which the tourist flows originate. The mode and functioning of the tourism industry had a structure such as to create conditions which did not allow or allow limited intervention for the host countries. Typical is Britton's view of the tourist flow directed towards a specific geographical area, such as the Lautoka-Suva region belonging to the island of Viti Levu, the complex of Fiji islands, where 95 % of tourist expenses are recorded, while a similar case is also found in the Cook Islands, with all tourism costs concentrated on the island of Rarotonga.

It has already been noted that the host countries of tourist flows are structured according to specific operating standards, thus not being able to meet tourist expectations or better the directed tourist expectations. Thus, the role of satisfying tourist flows and services offered is assumed by multinational companies, which were essentially the key to tourism demand. In the case of the tourist flow directed towards a specific geographical area, the concern arises to investigate the cause of this particular tourist preference. According to Britton, the specificity of tourism flows is due to four reasons. The colonial internal/external transport network, the structural characteristics of a colonial urban network, the limited distribution and possession of free land and finally the presence of foreign companies that had moved their interest in tourism activity. (Britton 1980a, 1980b) Therefore, the specification of tourist flows to a geographical area is related to a series of structural characteristics that satisfy multinational companies.

It is clear from this choice that the structure of the international tourism industry for the reference period and for the specific geographical areas, not only imposes on the destination countries specific standards of services, which cannot provide, but also selects within them the areas where there is a structured colonial network, in order to create conditions for a reduced internal effect or rather an internal effect in the context of the interest of the local ruling class. From this point of view, it would not be inappropriate to say that geographical areas which have historically had a reduced interest in metropolitan areas would also face their lowest chance of being active in the tourism industry. This assumption of course does not significantly differentiate the areas receiving tourist flows in terms of profits, since practically the way multinational companies operate, limits the economic benefits to a small/medium participation of the local population, as well as to small enterprises active in the sale of local products. Due to a collective external influence on the destination of tourist flows and the structure which tourism demand has received, there is a strong concern whether tourism ultimately constitutes a collective contribution to economic development, given its mode of operation or ultimately hinders growth<sup>20</sup>.

The previous paragraph recorded evidence that for the investigation period the mode of operation of the tourism industry imposes on the host countries a particular interventionism which is far from beneficial. However, the answer to the question whether the structure and functioning of the tourism industry has the same impact on the countries of destination requires further analysis, in addition to the findings which have hitherto been reflected, thus reflecting the complexity of tourism conciliation<sup>21</sup>.

A study by Walpole and Goodwin in the Komodo National Park and the neighboring islands of the Indonesian complex for the years 1995-1996 captures the tourist flows as well as the economics of the region's tourism activity. In particular, in the geographical areas of the National Park, an average of \$1.1 million over the two-year period 1995-1996 appears to be spent from incoming tourist flows. This amount is allocated in two entry cities with 80 % and 19 % respectively, while 1 % are spent within the park area. The majority of tourists, 89 %, lived in category B hotels, which had the help of their operation and the provision of hospitality services, to foreign companies. In the catering sector, two groups of tourists are identified with a different

<sup>19</sup> It is not inappropriate to say that the tourism industry is structured in such a way that the control of demand and supply is in the hands of geopolitical players. Botsis-STOGIANNOS:2023

<sup>20</sup> De Kadt's book, entitled 'Tourism, Passport for Development?', therefore poses a question and with it a multitude of studies, such as Grabum Jafari: 1991 and Holden: 1991, whether tourism is a development or not. De Kadt:1984

<sup>21</sup> The Angel-Turegano study presents the lack of conditions of dependence in a geographical area of the Canary Islands. Angel – Turegano: 2006. This translates that perhaps not all tourist areas are subject to the same degree of 'dependency', while it will be taken for granted, based on what has been said, that the areas under development are under more pressure on the tourism market than the developed ones.

distribution, the first having less than 35 %, while the second group, more than 55 %. It is characteristic that the first group differs from the second group in the choice of menu, Indonesian-local and with foreign influence respectively. This option is also the reason that 50 % of tourism expenditure in the local economy, leaks to the market for goods and services, while the impact of foreign managers of tourist flows on local means of transport is estimated at 60 % from maritime transport and 90 % from local road transport. Thus, of the \$1.1 million that appears to be spent on the local market, about 20 % remains, as a benefit, while 80 % leaks abroad. Walpole, Godwin, 2000

The geographical area analyzed began to develop its tourism product since the early 1980s. However, it seems that for the period 1995-1996, the local community/economy has still not managed to limit the foreign element within its economic activity, this is at least reflected in the presence of foreign influence of hotels and catering establishments up to the means of transport, thus depriving them of significant tourist benefits, since there is a high degree of outflow of profits abroad.

It is understandable and possibly expected that a tourist area, such as this, initially, does not present an immediate response, in order to maximize the profit from tourism activity, in particular, as we will see in the presentation of the next study on the subject of tourism dependency, when it comes to a rapid transformation of rural areas into areas receiving tourist flows, without the appropriate know-how. Having referred to an early and intermediate stage in the management of tourism flows and given that only 20 % of the expenditure is absorbed by the local community, after 15 years of tourism activity, a reflection arises. The question is whether in the specific cases the dependency, as reflected in the first section, exists, since for a long period of activity in the tourism sector, the dynamic of the alien element does not appear. The answer is quite clearly that yes, the conditions created for the selection of even catering establishments, which lead to an increase in imports of products outside the local geographical area, or of accommodation and means of transport, which manage foreign capital, constitute proof analogous to the countries of Latin America and the presence of underdevelopment.

Lacher and Nepal studied four geographical areas of Northern Thailand between 03/2006 and 09/2006. The results of the study in terms of tourism revenue leaks range from 15.5 % to 61.1 %, an average of around 40 %. The notable of this study, however, apart from the assumption that tourism does not have the appropriate positive impact on them in the geographical areas under consideration, is the existence of an internal form of dependence, other than the external one. In particular, the study shows that cities, gateways, have far more benefits than tourism. Thus, the geographical areas of the region do not seem to be able to profit from tourism activity and, more generally, from all-round development. In particular, it appears that a small geographical area is dependent on a larger one that acts as a local core, while this in turn is active and dependent on a larger regional geographical area that acts as a regional core, which in this study constitutes Thailand's second largest city. This second town of Chiang Mai, in turn, is active to promote its benefits, in the capital Bangkok, a city that operates and serves the interests of the international core. Thus, it is estimated that more than 70 % of tourism revenue in Thailand is leaked, according to Pleumarom, due to external audit (Pleumarom, 2009), while according to the methodology of computational balance, Wattanakuljarus 22 and Coxhead argue that tourism is not beneficial for low living Thais. (Wattanakuljarus & Coxhead, 2008) The latter assumption identifies a commonality with the existence of local elites, Latin American countries, which, albeit to a small extent, benefited to a certain degree, while the rest of the population and the country as a whole or had nothing or little benefit.

Based on the results of this study, it is understood that the conditions of underdevelopment and at the same time dependency for the mentioned geographical areas are structured pyramidally. Starting from the base, small geographical areas, which depend on the larger peripheral areas, within the geographical territory are identified. Through a sequence, dominoes, from the smallest tourist geographical area, to the capital, there is the inability to collect profit to a different degree as well as its final escape from the country to abroad, as a result of either internal structural distortions, the presence of local elites, or the strong interconnection and influence of the way the global tourism industry operates. Lacher & Nepal, 2010

The study of Angel and Turegano combines the relationship between tourism, development and dependency. Specifically, the researchers focused their interest on three main points of the theoretical framework of dependence. The first is that tourism creates benefits that flow from the geographical area of the tourist destination. The second point is related to the creation of poor working conditions, while the third relates to the practice of tourism activity to create jobs for people outside the local community. The results of the analysis show that owners active in the tourism industry of the geographical area of analysis, the Canary Islands, belong to the local community, so, according to the researchers, a typical revenue stream from the Canary Islands abroad cannot be established. In terms of working conditions, it is not apparent from their research that they are in a worse position than jobs in the rest of Spain's tourist regions. Finally, it seems that people who do not belong to the local community are indeed located in positions of the tourism administration, therefore, there is a strong element of foreign tourist influence, however, assuming that this will be for a relatively short period of time. The researchers of this study do not accept the assumption that conditions of dependence are identified for the specific geographical area of analysis.

In 2023, a study on the interconnection of macroeconomic variables and tourism activity was carried out in two Adriatic Sea countries, Croatia and Albania. The main objective of the study is to analyze the economic/tourist statistics of the two countries, in order to establish a different impact of tourism activity on the indicators of the economy between the two countries. A key finding and significant difference between Croatia and Albania is initially identified in an early and very strong presence of the foreign investment element in the Croatian country. The increase in tourism demand in this

<sup>22</sup>General Balance Computational Models (CGEs) are a class of economic models that use real economic data to assess how an economy can react to structural changes and the impact of external factors.

<sup>23</sup> Although the purpose of this paper is not to analyse the studies referred to, however, in this study, which is the only one in this study, which is clearly an attempt to consider that conditions of dependence are not recorded for the specific geographical area. Without questioning this assumption, it should be noted that the comparison of the remuneration of tourist workers in the geographical area of the Canary Islands should not be comparable to that in the tourism sector in the rest of Spain's tourist areas. The claim of increased/reduced tourism wages of workers should be compared with other productive sectors of the economy. The second point that we will stand is that even if the foreign element is presented to the tourist administration, this is considered/estimated as temporary. Of course, the researchers note that the study is very limited geographically, with limited data collection data for analysis.

country seems to have sparked the strong interest of foreign investors, so that the tourism industry can operate at high standards and with a specific structure, which seems not to be found in the country of Albania. Essentially in Croatia the tourism industry imposed a specific structure of the operation of the tourism activity, with the inflow of foreign capital and the creation of luxury and modern hotel accommodation, on the contrary in Albania, either because of the political conditions prevailing or because of the philosophy/culture and practices of local communities, it seems that tourism activity has significantly reduced the inflow of foreign capital (for the period of research), so that tourist services are available in small family businesses. But how did the economy react to this diversification of the structure of the tourism industry between the two countries? The results from the application of econometric models do not reflect a significant difference between most economic indicators and tourism activity. The unique and remarkable difference is found between the indicator of private consumption combined with tourism activity. It appears that Albania has almost double the consumption rate compared to Croatia. Translating the consumption index into disposable income, it is understood that Albania, as a result of tourism activity, has a higher disposable income than Croatia. A possible interconnection of the theoretical framework of dependency in this case would not be inappropriate because according to the econometric model, the consumption index between Croatia and Albania appears different, as the foreign effect on tourism activity also appears different. *Botsis – Kotsis:2023*

A study carried out in the regions of Greece related to the regions' response to the sharp decline in tourist flows as a result of the containment measures of the 2019-2022 coronavirus pandemic presents the following conclusions.

At regional level and given that tourism traffic and tourism receipts decreased significantly for 2020 compared to 2019, as a cause of the pandemic, it appears that among those regions with high tourist revenues, only the region of Crete managed to channel to other productive channels of its available resources, a feature that is not found to a large extent in the South Aegean region and to an even higher extent in the region of the Ionian islands.

This finding leads to the assumption of the identification of regions which, not only have low coping dynamics and therefore high sensitivity in the event that tourist receipts are significantly reduced but also a significant inability to find available productive channels for escape from the presence of a tourist disruption. This particular finding prompts us to look for possible causes. It is known from statistical data that 25 % of employment in the region of the Ionian Islands, for example, is attributed to tourism for the years 2019-2021 and the remaining 75 % to other production channels. Given the image of the high sensitivity shown by the region of the Ionian Islands to the sharp drop in tourism activity but in the presence of a parallel existence of other production channels (75 % employment in other productive sectors), we conclude that either the other productive sectors cannot compensate for a tourist disruption at regional level, or are partially activated and closely linked to the tourism production sector. This view is supported by Martin and Sunley's dependent route theory, which argues that the trend for regional development is based on the development of local activities. In the case that this activity path becomes very sensitive to disturbances, we now refer to the presence of conditions of blockage, inactivity and thus productive dependence. *Martin & Sunley, 2015*

In essence, Martin & Sunley identify a specific production route, as the scholars of the dependence theory for the production of raw materials of Latin American countries have found, with a kind of dependence, only in the event that we have presented, there may not be an external effect that determines trade trade between countries but that distorts and isolates geographical areas, in terms of the dynamic reaction of their economy to the presence of economic disruption and its rapid return to an earlier point. This concerns the creation of internal distortion parameters<sup>24</sup> within the region, which are summarized individually or collectively in the lack of integration between economic productive sectors, the lack of responsiveness of production structures to the increase/reduction of tourism demand and, finally, the immediate and effective response to the externalized fluctuation in demand. *Botsis- Kotsis: 2023*

## CONCLUSIONS

This section attempted to interconnect the theoretical framework of dependency and tourism activity. Studies have been cited, which in the majority meet the criteria for the emergence of dependency, either as the presence of a certain tourism activity that significantly limits the impact of the local community or as a historically prescribed course of selection and parallel isolation within the same country of specific geographical areas.

The latter observation is a very important element in applying the theory of dependency and its consequences, because, on the one hand, within the same country, different conditions of economic activity characterized by an oversaturation of activity in a particular economic sector are identified, and on the other hand, between geographical areas 'with a different degree of tourist activity', we distinguish a type of inland dependency between cities, a typical example of neighboring areas in Thailand. The answer to the question of whether the notion of dependence makes sense in our days has already been given in the first section and is positive. Therefore, in tourist activity, we believe that if the criteria set out in the first section are met and recognized, the theory of dependency applies. Its intensity depends on the degree of external impact, but above all on the extent to which the interior of a geographical area allows, the external effect. Perhaps for this reason too, Wood's, criticism of tourism activity, says that conditions of dependence can be found in the tourism industry, but rather than saying that tourism activity causes dependency, it is better to adopt the thought that in situations of dependence the tourism industry will also be built in conditions of dependence. Wood's (1993)

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<sup>24</sup> It is the third element that outlines the conditions of dependence.

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