

2023

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Economic Impact of Touristic Development on Surrounding Local Communities Case Study Delta Egypt

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Abstract- Tourism has become an important economic sector and a primary contributor to the economy in many parts of the world. The study area is secluded in northern Delta Egypt, directly on the Mediterranean Sea. This research tries to investigate how tourist development affects the local community, and how the local community takes advantage of the different opportunities offered by the development. Also, tries to answer the question of what makes some people better use the development than others. It is a qualitative interpretive inductive research based on naturalistic narrative methodology. This is achieved through semi-structured interviews with resort administrators, workers, local community members, and development beneficiaries. The researchers monitor and document this change and try to identify the reasons behind the different levels of effect it has on people, and why some can take advantage of the change and others do not. Whether it is different levels of education, rationality, entrepreneur mentality, social class, social relations, or unequal distribution of chances. The interviews were conducted between August 2021 and September 2022. Throughout the narrative comes a better understanding of the dynamic between different stakeholders and the economic impact that accrues.

Keywords- Local Community, Socio-Economic Effect, Touristic Development, Delta Egypt

I. INTRODUCTION

Tourism is an effective force in supporting local community development, especially in areas with cumulative legacy. The local community plays an essential role in the success of tourism. Tourism has become a key strategy to generate economic, social, and environmental benefits to communities, in addition to fostering community development [8].

Tourism's ability to create jobs is one of the main reasons governments encourage its development. Tourism's most important positive economic effects are increased budget revenues, production expansion, stimulation of investments, and improvement in the population's welfare. Among the negative effects of tourism are inflation, financial leakage, infrastructure costs, economic dependence [11] [4].

Egypt is rapidly building new cities inside (New Capital) or on shores (New Alamein- New Mansoura). Also, private urban developers are taking the same approach building resorts along the coastal line such as the case study area. Burullus Lake area is known for being a secluded rural area where the first development project was the construction of the International Coastal Road (ICR) in the early 2000. Then Egypt's 2032 Development plan divided the area into different sectors, where the study area was planned to be a tourist destination (Fig. 3).

1.1 Motivation for the study:

While visiting Marina Delta resort the researchers noticed that most workers are from Elhammad Village. This Motivated them to pay the village a visit, where they encountered a motel, restaurants, many sanitary installation shops and other small businesses that would not normally exist in this size of a village.

1.2 Research Questions:

When starting conversations with local communities, the researchers learned about the job opportunities offered through the development and their perception of it. This sparked research questions:

- How does tourism development affect local communities?
- How does the local community take advantage?
- What makes some people make better use of the development than others?

Furthermore, since this development in the area will continue to grow for the next decade, it would be interesting to document the change happening to the local community throughout different phases of the touristic development process, on both economic and social level, which will be the subject for another research following quantitative methodology.

II. METHODS

It is a qualitative interpretive inductive research based on naturalistic narrative methodology.

Naturalistic Narrative qualitative inquiry expresses one's view of the nature of "reality". It is the view that the real world is a dynamic system where all parts are so interrelated that one part inevitably influences the other. Moreover, the parts must be examined in the context of the world. Its characteristics are:

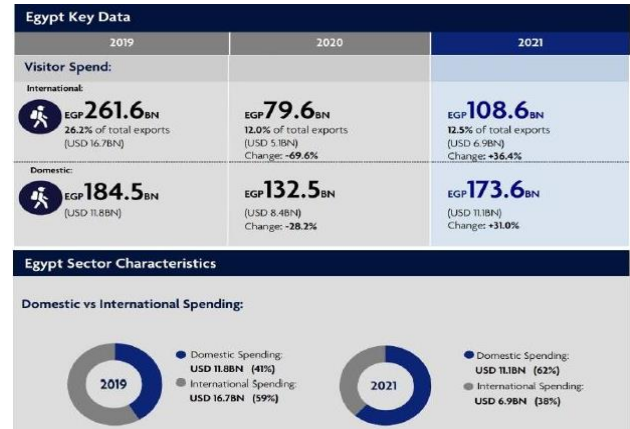
- [a] Natural Setting: Studying real-world situations in a natural situation, non-manipulation, and non-controlling.
- [b] Human instrument: The inquirer is a major source of data collection.
- [c] Inductive Analysis: Immersion in the details and specify the data to discover categories dimensions rather than testing theoretically derived (deductive) hypotheses.
- [d] Utilization of tacit knowledge: The human instrument builds upon his/her tacit knowledge and uses interview and observations.
- [e] Holistic Perspective: Understanding of the whole phenomena rather than independent units.

- [f] Qualitative data: Detailed thick description of cultural norms, values and traditions, direct quotations of experts.
- [g] Grounded Theory: No prior theory can suit the multi realities; substantive theory emerges from the contextual data.
- [h] Personal Contact and insight: The researcher’s direct experience and insights of the researcher are important in the inquiry for understanding the phenomenon [14].

domestic travel and tourism sector can also help a country withstand shocks and demand fluctuations that may arise when crises affect external source markets [6] [4].

The researchers achieved this through semi-structured interviews with resort administrators, workers, and local community members. Even though conducting face-to-face surveys is quite expensive and time-consuming, it has its value if the researcher wants to reduce non-response rate [11] [16].

The interviewees were chosen purposefully (known as purposeful sampling), which interviewed people known to have information about the topic.



III. REVIEW

3.1 Domestic Tourism:

Domestic tourism is the key driver of the tourism sector globally, accounting for 73% of total Travel & Tourism spending in 2017 (Fig.1,2). Governments use domestic tourism to eliminate local poverty, generate employment and economic growth, upgrade infrastructure and alleviate pressure from overcrowding. Domestic travel helps address seasonality within regions while also dispersing tourists to less visited rural areas, which tend to be overlooked by foreign visitors. Domestic travel supports and develops local and national pride, provides a rationale for upgrading of infrastructure, disperses visitors geographically across regions, smooths seasonality and creates employment opportunities.

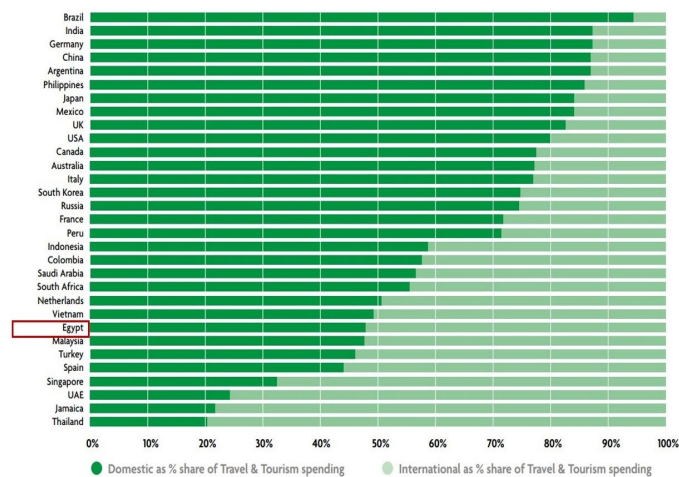


Figure 1. Reliance on domestic tourism across the major countries in 2017 [6].

It can play an important role in improving the attractiveness of destinations, which in turn promotes well-being for locals and helps to attract educated young professionals upon which high value-added sectors increasingly depend. A strong

Figure 2. Egypt 2022 Key Highlights [7].

Tourism has three major impacts on the destination which tourists usually visit; these are mainly economic, environmental, and socio-cultural in nature. This impact can be either positive or negative [11]. This research will be focusing on the economic impacts only, while it’s too early to detect social or environmental effects in the area.

3.2 Positive Impacts of Tourism:

It is often the positive economic impacts that persuade governments, companies, and individuals to get involved with development of tourism destinations. It provides income for stakeholders and creates jobs for the local community. The travel and tourism sector provide a variety of positive economic impacts and the most important of them are:

[a] Increased domestic income and earnings: It generates income and wealth for private individuals, local councils, companies, voluntary bodies, and national governments, from the modest income earned by a couple running a farmhouse bed and breakfast business to the millions of pounds generated by large travel companies.

[b] Increased employment: Direct employment in tourism occurs in areas such as hotels, transport operators, travel agencies, tourist attractions, tour guides, government departments and tour operators. Tourism also creates indirect employment in industries not directly associated with the sector, for example in construction, banking, design, and transport companies.

[c] Improved infrastructure: It contributes to infrastructure improvements in destination areas, e.g., road and rail improvements, airport developments, improvements in tele-communications and utilities such as water and power supply. In this way, local people can benefit from improved facilities that are provided for tourists.

[d] Economic multiplier effect: Revenue generated by tourism development is boosted by an important concept known as the multiplier effect. Research has shown that the amount spent by visitors to an area is re-circulated in the local economy [11]. The tourism multiplier effect occurs when the economic benefits of tourism are multiplied. This is largely fueled by the growth in the tourism industry and associated industries that grow because of tourism. It can bring wide-reaching benefits to people involved directly and indirectly with the tourism industry [21].

3.3 Negative Impacts of Tourism:

Even though the economic impacts of tourism are generally positive, it can have some negative economic effects:

[a] Financial leakage: Occurs in tourism when money is lost from a destination area. This could be because the hotels are owned by companies that operate in other countries and the profits are taken away from the local area. Also, larger travel and tourism companies buy their goods and services centrally to get the best prices.

[b] Decline of traditional employment: Development can lead to the loss of traditional jobs when workers move from industries such as farming, forestry, mining and fishing into service jobs in tourism. Developing countries that are working hard to attract tourists experience similar problems in keeping workers in primary industries.

[c] Seasonal unemployment: It can be a problem in tourism destinations that are not active all year round, putting extra strain on local and national government resources in out-of-season months.

[d] Increased living costs: An influx of visitors to a holiday area can push up the prices of goods and services, particularly when demand is high in peak season. This disadvantages local people who may have to pay higher prices for food, drinks, entertainment, transport, events, etc. Extra charges may be levied on the local community to finance facilities and services for visitors [11].

IV. CASE STUDY:

4.1 Case Study Selection Criteria:

The case study is located north of Egypt on the Mediterranean Sea in Kafr Elsheikh Governorate, near Burullus Lake. It was chosen for its secluded characteristics, new mega development projects, and the continuity of the development projects for the next decade. It is a small local community which is known for resisting development and not trusting outsiders. The first development project they witnessed was the construction of the ICR in 2002 (Fig.3).

4.2 Case Study Background:

4.2.1 Political and economic context:

Generally, urban planning and development in Egypt is centralized, starting at the national level through a five-year socio-economic development plan (stated in law 70 of 1973), which is divided at lower levels into plans, programs and projects through the local administration (act 34 of 1979).



Figure 3. National strategic plan for urban development 2025 [23].

Economic national development plans direct public and private investments [9]. Unfortunately, almost all development plans don't include local community participation in the decision-making process, which can cause problems, friction and unanticipated interaction between the development and local community. It is difficult to anticipate how the development will affect the local community, how the community will receive the development, make use of it, and whether there will be equal distribution of opportunities or not.

Recently the Ministry of Local Development has developed an action plan in June 2020 to stop issuing permits for construction work, expansion, and modification. The resolution excluded industrial, tourism, government, and national projects because they are projects that serve the citizen and the national economy of the country [2].

4.2.2 Background:

The research visualizes the case study area as two sides of the ICR. The southern part which represents local community (Elhammad Village) or what is referred to in this research as "THIS SIDE". The northern part of the ICR which is the new touristic development or what is referred to in this research as "THE OTHER SIDE". In between those two sides are the people from the local community who make use of the development, either by getting part- or full-time job opportunities in the resorts or opening small businesses to fill the gaps in the market and make use of it. They are called in this research "THE IN-BETWEEN" (Fig.5).

This side:

It is a large village called Elhammad (the largest in the area), which had direct access to the Mediterranean Sea before the construction of the ICR in 2002. The village area is 120



Figure 4. Elhammad Village east entrance. [Source: Authors, 2022].

acres with a population of approximately 12000 people and is characterized by low structural density. Most of the community members work as farmers in their own land around the village (the higher class) or work as fishermen (the lower class) [24]. The village contains a school, a hospital, and a post office, and has a conventional poor sewage system with unpaved roads [17] (Fig.4).

The other side:

Before the ICR ran through this area, the land was owned by many people from Elhammad Village and was divided into smaller ownerships. The land was assigned as agricultural land with no building permits. The land prices were cheap since it was sandy beaches with no infrastructure or roads. In the beginning of the 2000's three men from the area (two from Elhammad and 1 from Baltim city) started to buy the land from individuals without disclosing their intent. They managed to buy almost the whole area between the International Coastal

Road and the Mediterranean Sea for cheap prices since the owners had debts to pay. The Egyptian Pharmacists Union bought from the investors a section of the land on the left side, for a high price. After that the three investors announced the launch of Delta Capital group (DCG) for urban development [24].

The resorts are a domestic tourism destination, where most of the visitors and apartment owners are from nearby Delta cities (Kafr Elsheikh, Tanta, Elmahalla Elkubra and Elmansoura) who find Alexandria too crowded, Marsa Matruh, Sharm Elsheikh and Hurghada too far, Elshahel too expensive or miss a waterfront in their home cities (like Tanta). The peak season is the four summer months (June, July, August and September) where the resorts are almost completely booked. Till now, only 10 families have lived in the resorts for the whole year. "This number can get higher quickly if transportation, internet and telephone lines were to be available" said Hisham [10].

Egyptian Pharmacists Union [EPU]:

The union built the first resort in the area, **Pharma Beach Resort**, with an area of 70 acres holding about 1040 apartments. Construction began in 2006 but the units were not handed over to owners until 2021 due to administrative and legal conflict. The units are handed over to owners without finish which allows the owners to utilize workers from the area [10] (Fig.6).

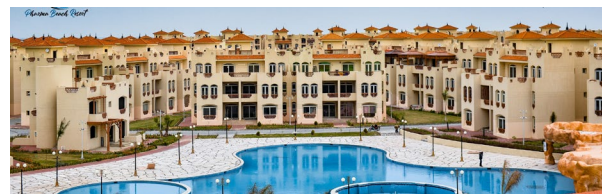


Figure 6. Pharma Beach Resort [19].

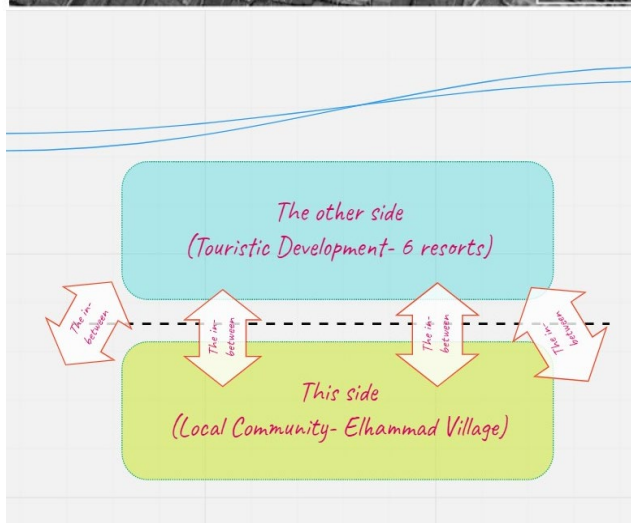


Figure 5. The study area visualization. [Source: Authors, 2022].

Delta Capital Group [DCG]:

DCG was founded in 2015 as a Real Estate development company in Delta Egypt, with a record of two resorts in Delta: **Marina Delta Resort and Delta Lagoons Resort**. The chairman and main investor are from Baltim city, and he has two partners from Elhammad village. DCG's headquarters is in Cairo, with sales offices across the Delta region in Elmansoura, Elmahalla Elkubra, Damietta and Kafr Elsheikh. The company relies upon its principals to identify new markets as an urban developer and manager of residential and retail properties. Marina Delta Resort was the first resort to be built by DCG. The construction began in 2016 and units were handed over to owners in 2020. Since DCG is a construction company, they hand over units finished [3] [1].

The resort is now fully functioning with a mall called Delta Master Mall. It is a 8000 m² mall, serving Delta cities. It was designed and built to suit all types of services, restaurants, cafes, hypermarkets, home applicants, fashion, pharmacies... etc. The Mall has been implemented on 2 Mirror sides in Marina Delta Resort “Left & Right Wings” with total number of 45 shops, outdoor green and parking areas with total area 5 acres [5].

The second resort to be built by DCG is Delta Lagoons Resort. Construction began in 2019 and units were handed over to owners in 2022. Blue Beach Resort is the third resort to be built by Delta Capital Group. It is located east of Delta Lagoons Resort and construction began in January 2022. The development in the area will continue probably for the next decade to build at least 2 more resorts by DCG [3].

The in-between:

In the peaking season, almost every house in Elhammad has a son that works in the resorts. Also scattered on the west and east entrance of the village are several small businesses that emerged as a response to demands in the resorts. The businesses are restaurants (working only in the peaking season), building suppliers, sanitary installations, electricity equipment supplier, aluminum installations, air conditioning supplier, motel, and furniture gallery (work the hole year) (Fig.7). These businesses wouldn’t normally exist in this scale of a village [17].



Figure 7. Elhammad Village and various small business’s locations. [Source: Authors, 2022].

To summarize the different stakeholder’s interest in the area the researchers have done a stakeholder analysis (benefit-interest). Both the local community and the investors have a high interest in the area, while the investors have more influence since they are the ones with more economic affordance. While the municipality has more influence than any other stakeholder, their interest is vague and not present. Stakeholders with low interest and low influence couldn’t be determined (Fig.8).

4.3 Case Study Analysis Methodology:

4.3.1 The scanning phase:

First, the researchers scanned the village for small businesses that could have opened as a response to the demand

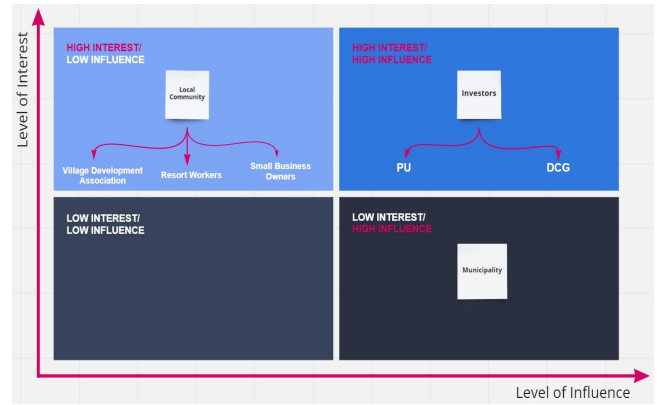


Figure 8. Case study stakeholder analysis. [Source: Authors, 2022].

by the development. Then marked the businesses on the map stating their type, owner, and contact information (Fig.7).

4.3.2 The interview phase:

The researchers use open methods in their approach where the interviewee is allowed to arrange the situation and the communicative processes in the way that suits them best. These methods include various forms of open interviews, field research consisting mainly of participant observation, audio recordings, group discussions or family interviews. The aim of all these methods is to be able to describe the world from the perspectives of the actors in everyday contexts, not from the perspective of the researchers (naturalistic narrative methodology), and to study complex social actions and practices in everyday situations. The researchers used purposive sampling (also known as judgment, selective or subjective sampling). It is a sampling technique in which researcher relies on his or her own judgment when choosing members of population to participate in the study (a non-probability sampling method) [18]. The interviewees were chosen based on the assumption that they can present fruitful information.

The interviews were conducted between August 2021 and September 2022. The researchers start the interview by introducing themselves and affiliation, the research purpose, and some general questions about the topic. The interviewee would start talking and the researchers would either get their approval to record the interview as an audio file or write the answers down.

Some of the interviewees were reluctant to answer, which was obvious to the researchers through their body language, inconsistent replies, or their lack of interest. It is important to state that this is one of the most secluded areas in Egypt, where the community is new to development and is famous for not trusting outsiders. When listening, the researchers pay attention to vagueness, inconsistencies, gaps and body language, in other words, the researchers have to be sensitive to hidden ways of expression. It is also necessary not to be satisfied with the mere

naming of events or facts, but to try to gain insights into past situations and actions by prompting narrations. This allowed the researchers to choose the stories that were most reliable, to be presented as narrative in this research.

4.3.3 The analysis process:

Any development affects the local community, whether positively, negatively, or both. And that change affects people and families differently, as the interviews proved. The researchers monitor this change and try to identify the reasons behind the different levels of effect it has on people, and why some of them can take good advantage of the change and some don't. Whether it is different level of education, rationality, entrepreneur mentality that not everyone possesses, social class, social relations or different laws applied on people which creates inequality when it comes to distribution of chances. Using interpretive methods, the researchers then examine these phenomena and reconstruct causal connections and latent meanings in the concrete individual case.

4.4 Semi structured interviews:

The interviews aim is to get a better understanding of the history of the village, the community's main income, their dynamic with the resorts since their construction, to what extent did the community benefit financially from this development and the reason it affects people differently. Each interview was designed to be in line with the interviewee's special situation.

The interviews were divided into four types to understand the change that happened in the area. The first type was three meetings with DCG's sales manager and operating manager. Interviewing the investors was not possible due to their busy schedule. The second type was one group interview in the Village Development Association with 4 men (the head of the association and 3 members). The third type was two interviews with 3 workers in the resorts (2 from Elhammad Village- 1 from Beheira governorate). They were reluctant to answer the questions since the interview was held in the resort, which is their workplace. The fourth type was the stories of new small business owners who took advantage of the development, to change their economic status. Four interviews were conducted with the new business owners in Elhammad (1 aluminum installations- 1 sanitary installations- 1 building supplies- 1 furniture gallery).

a) Interviews with DCG's sales and operating managers on the 23rd of April 2022 and 19th of September 2022:

These were one interview with DCG's sales manager Ahmed Mostafa and two interviews with the operating manager. The purpose of these interviews was to know the history of the development and investors, get the specific number of workers in the resorts (Table 1), and understand how the investors manage the company and investment [3].

b) Group interview with Village Development Association

Table 1. Number of workers in winter 2022 and summer 2022 in Marina Delta Resort [3]

	Department	Winter 2021-2022		Summer 2021-2022	
		Near areas	Other	Near areas	Other
1	Janitors	23	2	55	0
2	Gardeners	15	5	20	0
3	Maintenance	8	0	13	0
4	Security	34	5	56	0
5	Administration	17	9	22	0
6	Lifeguard	0	0	27	0

members on the 6th of April 2022:

The researchers conducted a group interview in the Village Development Association (the head of the association and 3 members), they were all university graduates, and the head of the association is the village's school principal. This interview was to get a better understanding of the village's history, social and economic situation of the village. They mostly work in farming, while fishing is not very common as it is seen as a low-class profession, but families who sold their lands had to turn to it as a source of income. Fishing is seasonal from January till March and from August till December:

"Fishing is based on fish seeds which is illegal, but it is a source of income and livelihood for many people".

When asked about the touristic development in the area and how it affected the community:

"People sold their land very cheaply to pay their dept to the Agricultural Association. They thought the land was only agricultural and could not get building permits, that's why they sold the land easily and cheaply. After the development, land prices in the area have skyrocketed. You can't buy land now with these prices, which hinders you from improving your economic status".

As Village Development Association members, they want the village to benefit on a community scale:

"Like a lot of Egyptian villages, it needs a lot of work, paving roads, better plumping system...etc. The municipality has no role. There is a lot of corruption. Investors can help us, and they have the money and resources to do that".

They want work opportunities to be all year long, and not only in the summer months. They want workers to have health insurance. They want job opportunities to be in the administrative part not just services (janitors, gardeners, and security personnel). When asked about the fishing profession and how it is affected by the development they answered:

"Fishing season is outside the summer season, but the only street open between the resorts is 7-8 meters wide. It is for the coast guard army and not for the villagers, so fishing now is more difficult.

When asked again if there is positive impact of development on the village:

"There are people who may have benefited from the resorts and some people have not, so certainly the point of view will differ.

Surely, having new people from different social and economic backgrounds is good for us and our families, I like that my sons can see what else is out there and what they can accomplish in life” [24].

c) Interviews with security workers in Marina Delta Resort on the 6th of April 2022:

The researchers did three interviews with security personnel in Marina Delta, two from Elhammad Village and one from Beheira Governorate (160 km away). The one from Beheira governorate was asked about his accommodation in the motel which is provided by DCG for workers from outside the area. The motel rooms are furnished with 3 beds, a fridge and a private bathroom and the workers cook for themselves. Since DCG is paying for their travel allowance, workers from outside the region take 26 days' work and 4 days off to minimize traveling. The two from Elhammad still have their traditional profession as fishermen, since it is a seasonal job. They fish on their holidays and weekends.

“Most of the workers at the resorts are security personnel, gardeners, or janitors from Elhammad. They didn't abandon their profession in fishing since it pays higher”.

For them working in the resorts pays less but brings a stable monthly income, while fishing pays better but is unstable and unpredictable. Others work in the construction of the resorts and are moving from one finished resort construction to a new one. When asked about whether the resorts cut their way to the sea they answered:

“The street between Pharma Beach Resort and Marina Delta Resort is closed, but we use the street between Marina Delta Resort and Delta Lagoons Resort which is open. We don't fish in the summer season to avoid friction with tourists and administration on the beach or at sea. This does not affect our income from fishing so much because summer is not a good season for fishing”.

For them the touristic development did not harm them, it provided a steady monthly income besides the fishing income. Income from fishing pays better but is unstable and unpredictable, which causes an economic vulnerability for them. Adding a steady income, even if it is low, improves this situation. They were reluctant to answer since the interviews were conducted in the resort (their workplace), so they avoided answering questions about the negative effect of touristic development in the area [17].

d) Interview with Mohammed Hamed, business owner of United Company for Aluminum Kitchens, Doors, and Windows on the 7th of April 2022:

He is in his early thirties and before opening this business one and a half year ago, he worked in Saudi Arabia. After he came back to Egypt he saw a gap in the market for aluminum doors, windows and kitchen cabinets which were getting more popular. While he lives inside the village and has vacant shops

in his house, he rents two big shops for 1000 EGP each in the east entrance of the village.

“It is a strategic location, far from the other owner of the same profession whose shop is in the village's western entrance. The east entrance is more accessible by resort owners than the west.”

He worked with resorts unit owners in designing and manufacturing kitchen cabinets only, because the resort unit owners receive their units from the investors with their windows and doors installed, which are done by a big private contractor. His work in kitchen cabinets is better in Marina Delta Resort than Pharma Beach Resort.

“Owners in Marina Delta are from a higher economic class and are willing to pay for beautiful big kitchens”.

He also worked for a while in Elhammad Village, in aluminum doors and windows (Fig.9). Then the government stopped building permits, which affected his business greatly.

“When they took that decision, they harmed a lot of people and businesses. Anyone in the construction business can't make ends meet now”.

He receives requests for a handful of kitchens throughout the year, and with the high rent he pays it does not look good for him [14].



Figure 9. United Company for Aluminum Kitchens, Doors and Windows. [Source: Authors, 2022].

e) Interview with Reda & Mosaab Najm's, business owners of sanitary and plumbing installations on the 10th of April 2022:

They are two brothers from Elhamoul city (35 km away), Reda, the older one is in his late twenties and is a university graduate. His younger brother Mosaab is a student in faculty of science and is in his early twenties. Reda came to Elhammad and opened a business with a business partner four years ago. One and a half years ago he separated from his business partner, took his share, and opened the current shop with his brother Reda (Fig.10).

They showed signs of pride for being highly educated and managing their business. Reda started working in Pharma Beach Resort, supplying for plumbing accessories and completion of other contractors work. Since DCG is a construction company, they get supplies directly from manufacturing companies in bulk purchases. So, Reda did not work with DCG as a supplier but worked in Marina Delta Resort as an internal contractor with 30-40 workers under him (from Elhamoul, his home village), installing kitchen wall claddings in up to 40 buildings.

“I received negative comments on the work from DCG. I did not receive the rest of my money, so the business between us stopped”.

He told us that there are about 6 other shops in Elhammad with the same profession. He stated that more than 2,000-3,000 people from Elhammad were hired to work in the resorts as a respond from DCG to the problems the villagers made at the time of construction. He was insinuating that the idea of Delta Capital Group helping local community with job opportunities was not from the beginning and came as a demand by the villagers [20].



Figure 10. Reda Negm shop for sanitary and plumbing installations. [Source: Authors, 2022].

f) Interview with accountant Mohamed Fahmy, business owner for Building Materials Trading on the 10th of April 2022:

He is an accountant from Elhammad in his mid-forties. He comes from a humble family and built himself up gradually. His shop has been open for 7 years, supplying building materials (sand, cement, and gypsum for construction) (Fig.11). He also owns several tractors and diggers. He graduated from Faculty of Commerce- Kafr Elsheikh University in 1998. He worked as an accountant for a big company in Cairo, then moved to Baltim city and worked for another company. When he had enough money opened his own business. Besides his business he owns agricultural land around Elhammad.



Figure 11. Accountant Mohamed Sayed Fahmy business for building materials trading. [Source: Authors, 2022].

He supplies building material to Pharma Beach Resort owners, while they finish their apartments.

“DCG has a procurement department which buys supplies directly from manufacturers. The department buys bigger quantities for lower prices. This is the reason why I don't do business with them as a supplier. But they rented my tractors and diggers for land settling process before the construction phase” [13].

g) Interview with Hisham Elisawy, business owner of Marina House Furniture Gallery on the 23rd of April 2022:

He is a lawyer from Elhamoul city in his mid-thirties. He has a furniture gallery in Pharma Beach Resort and another one in Elhammad Village directly on the ICR. He co-owns a furniture factory in Damietta. His office is in Marina Delta Mall and his team are all from nearby villages (4 salesgirls, 3 supervisor, 15 workers and 4 technicians).

“I moved with my family permanently to Marina Delta resort. My two daughters go to a nearby private school which provides buses. Only 10 families live permanently in the resorts. The area lakes schools, banks, hospitals, public transportation, and internet connections. I am sure more people would live here once there are better and more services.”

He sees the area as a good opportunity for investment. Although the main investors from Delta Capital are not making it easy for new business owners, he managed to start and grow his business.

“I didn't like my work as a lawyer, so I opened a travel agency, then Corona pandemic started and I had to turn to domestic trips, arranging trips to the resorts, accommodating visitors in rented units. I noticed that the units needed to be furnished, so instead of buying furniture for high prices, I opened a furniture factory in Damietta (the Egyptian hub for furniture factories and galleries) in 2020 with other partners. Then I opened my two galleries here and relocated my family”.

He prefers working with owners from Marina Delta Resort, because they are from higher economic and social class as most of them are university staff, so business with them is better in his opinion. Since he lives in the resorts, he has a different insight about the situation [10].

V. DISCUSSION:

This case study presents a secluded local community which had no say in the nearby development or decision-making process that is happening on a land they owned two decades ago. The investors' main goal is to profit and sustain their profit. The municipality has a vague role, while the laws in Egypt in 2020 prevented new construction permits across Egypt, except new cities and touristic destinations. So, the ICR is dividing the area into the north side (touristic destination that keeps getting bigger and offers many job opportunities), and the south side (a village that can't build anything and with many lost jobs but has new opportunities). This produces friction and bad attitudes towards the investors and the development.

It is also worth mentioning that the community perceive the two investors differently. They speak highly of the Pharmaceutical Union, and very negatively of DCG. Knowing the history of investors affects their attitudes towards them, especially those who don't make good use of the economic opportunities. They feel used by DCG buying the land for cheap prices and profiting greatly from it. This causes a feeling of resentment and envy towards the investors, to the extent that they deny making any profit or any positive effects from the resorts. They demand donations from them to correct the conditions of the village.

Different to other cases the tourists here don't go into the local community, each have their own place. Which is a good thing for preserving local culture. Direct interaction between the tourists and the villagers happens only in the resorts, unless a tourist crosses the ICR and goes to Elhammad Village (which doesn't happen that often). Resort permanent residents on the other hand do enter Elhammad for their daily shopping to avoid the high prices in the Delta Master Mall. So, Elhammad community is not considered host community because of this separation.

Another issue is that while the community can work in the resorts, open small businesses, and profit, they cannot enter the resorts without owning a unit. Not being able to enter the resorts creates class inequality (separation). This induces the feeling of social and economic isolation. "Isolation from a land that was ours" as one of them stated. The visible and invisible wall is very apparent to them.

A small percentage of the community is not looking into all this negativity. These are the successful small business owners. They are in different age groups, well educated, have different economic status, and have entrepreneur mindset. The main

reason in the author's opinion for local community members to take advantage of opportunities is having entrepreneur mindset. It is not the high education because the interview in the Village Development Association was with highly educated members. Their attitude was very different, and they did not take good advantage of the development. So having an entrepreneur mindset is the key characteristic in common between the new business owners who benefited from surrounding development and opportunities.

The business owners keep taking advantage of opportunities and doing better business from different aspects. An entrepreneurial mindset is a mindset that drives innovation, creativity, hard work, goal setting, fearless attitude, and calculated risks. Entrepreneurs see the world as a place with endless opportunities they create for themselves. It is a constant need to improve one's skills, learn from mistakes, and take continuous action on ideas [22].

As mentioned in the review section, there are positive and negative impacts of tourism development. The next sections discuss this for the study area:

5.1 Positive impact of touristic development:

- [a] Increased domestic income: For the investors through selling apartments, (DCG) investors are from the area so it qualifies as domestic income, but (EPU) is a governmental body. The municipality also benefits through issuing building permits for the resorts.
- [b] Economic multiplier effect: Represented in opportunities for small business owners.
- [c] Increased employment: Full/part time job opportunities for local community members (gardeners- life guards- janitors- security personnel).
- [d] Improved infrastructure: The development is affecting negatively on the already poor infrastructure in the area.

5.2 Negative impact of touristic development:

- [a] Economic Leakage: Since DCG is a construction company headquartered in Cairo, most construction economic input is leaking outside local community.
- [b] Declined traditional employment: Local community is still preserving its traditional employment (farming-fishing). It balances new job opportunities with traditional employment.
- [c] Seasonal unemployment: The resorts offer seasonal employment, but since local community is still preserving its traditional employment, there is no seasonal unemployment, yet.
- [d] Increased living coast: Since local community is not a host community for the touristic development there is no increased daily living coast. On the other hand, land prices have skyrocketed in the area to the extend where locals can't buy land anymore.

The land prices are affected greatly. According to Mohammed, and since he is an accountant, oversees a lot of land selling in the area. He gave us an example of land prices skyrocketing, of a piece of land sold several times throughout the past 27 years. It is located on the international coastal road on Elhammad side with an area of one acre. The land was sold in 1995 for 43000 EGP. In 2000 it was estimated for 450000 EGP. In 2015 it was sold again for 920000 EGP and in 2018 for 6 million EGP (Fig.12). In 2022 the land lost its value because the government decided to construct a train railway parallel to the ICR where most of this specific piece of land will be expropriated to the government. Mohammed himself owns a land in that area, in the second lane of lands from the ICR, so he will lose 10 m from it [13].

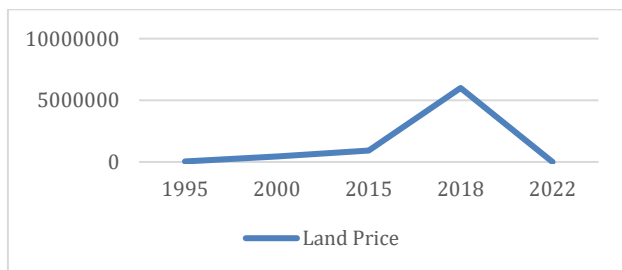


Figure 12. Land Prices in Elhammad. [Source: Authors, 2022].

VI. CONCLUSIONS:

- Different to other cases the tourists in the case study don't go into the local community, each have their own place. Which is a good thing for preserving local culture. So, Elhammad community are not considered host community because of the separation.
- The positive impact of tourism in the case study is economic multiplier effect and increased employment.
- The negative impact of tourism in the case study is economic leakage and increased living costs (land prices).
- Community members who take advantage of the new development are from different age groups, well educated, have entrepreneur mindset and have different economic status. They see a gap or a demand in the new market and they work to benefit from it.
- The main reason in the authors opinion for local community members to take advantage of development opportunities is having entrepreneur mindset. An entrepreneurial mindset is a mindset that drives innovation, creativity, hard work, goal setting, fearless attitude, and calculated risks.
- The development is attracting people from outside the community, like Reda Negm and his brother (interview e), Hisham Elisawy (interview g). Both are from Elhamoul city 35 km from the resorts. Hisham even relocated his family and now lives now in the resorts to manage his business.
- The researchers propose future studies whenever the construction in the resorts is completed, to determine how development affected local community throughout different phases. This can be a quantitative research to scan the village

and map the urbanization and the socio-economic change that happened throughout the development. It can answer the following questions:

- How will building usage in the village change and adapt to the development?
- What will the village look like after the completion of the resort's construction?
- What will local community's professions be? Will they continue fishing and farming?
- Another line of research is the environmental impact of the development that is happening in the area, whether the resorts and their effect on the poor infrastructure, the nearby black sand factory and its effect on people's health and agriculture, or the environmental impact of the ICR.

Conflicts of Interest: The authors declare that there is no conflict of interest.

Funding: The research was conducted as part of a research project "Urban Resilience and Risk Management- Understanding Egypt's Delta Region", a joint project between Kafr Elsheikh University, Mansoura University (Egypt) and Kassel University (Germany) 2021/2022, funded by the DAAD: German Academic Exchange Service.

Acknowledgments

The authors would like to thank Prof. Uwe Altröck (Project manager) for his constant useful comments on the research.

Funding: The research was conducted as part of a research project "Urban Resilience and Risk Management- Understanding Egypt's Delta Region", a joint project between Kafr Elsheikh University, Mansoura University (Egypt) and Kassel University (Germany) 2021/2022, funded by the DAAD: German Academic Exchange Service.

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