

# Urban Tourism Development in Prague: From Tourist Mecca to Tourist Ghetto

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**Abstract** Prague has become a significant tourist destination in Europe over the past 25 years. This development has been rapid and unbalanced. This chapter will deal with the changing socio-spatial patterns of tourism in the historic centre of Prague, with a particular focus on the Royal Way. Based on a combination of qualitative and quantitative research methods (such as in-depth interviews with local residents, an analysis of retail outlets on the Royal Way, and an analysis of secondary statistical data on tourism and economic development in Prague), the changing business activities in the historic centre of Prague and their impact on the local community and tourism itself will be analysed. The findings will show that privatisation, restitution, as well as the absence of tourism management have had a profound impact on tourism in Prague, and have contributed to the creation of a tourist ghetto on the Royal Way.

**Keywords** Touristification • Tourist trap • Royal Way • Transformation • Prague

## 1 Introduction

Urban tourism has become one of the most significant types of tourism over the last two decades as the number of tourists in urban destinations has started to increase and the tourist industry has grown, and continues to grow. Centres of cities have been changing under the pressure of tourism industries and the formerly residential function has been forced out. Urban tourism precincts have evolved in these locations, sometimes spontaneously, sometimes pre-planned (Spirou 2008).

These processes intertwine with worldwide socio-economic changes. Globalisation, decentralisation and deindustrialisation have caused the crisis of inner cities. In response, city planners and policy makers have tried to find other economic rationales for urban growth (Spirou 2008); “in the 1980s some cities managed to

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make a smooth transition from industrial wasteland to tourist mecca” (Fainstein and Judd 1999, p. 12). The transition of society from an industrial to a post-industrial (consumer) one, facilitated by increased discretionary income and leisure time, caused the growth of demand for tourism (Roberts 1999). Together with the development in transport and informational technologies, cities have become proper destinations for the postmodern consumption of leisure time (Selby 2004). As Ashworth states “. . . only cities have the critical mass of such resources to attract and satisfy tourism demands” (2009, p. 209).

Prague entered the world tourist market in 1990 after the fall of the communist regime in Czechia (formerly Czechoslovakia<sup>1</sup>). Before 1989, urban tourism in Prague was mostly limited to visitors from the former socialist countries, which constituted 90 % of foreign visitors (Hoffman and Musil 1999). A central planned economy and significant restriction on private ownership stalled the development of the tourist industry in Prague. The historic centre of Prague was strongly protected and development focused on outer parts of the city. This conservation of the historic centre has had significant consequences for urban tourism today. On the one hand, the historic centre has preserved the original character of its fourteenth-century layout (Hoffman and Musil 1999), and on the other, neglecting urban development in the historic centre has led to the dilapidation of some historical buildings.

The Velvet Revolution in 1989 gave rise to a new political regime and profound changes in society and the economy. In the early 1990s the processes of transformation from central planned economy to capitalist system were launched. “The main pillars of transformation were privatisation of state assets and liberalisation of prices” (Sýkora 1999, p. 81). According to Sýkora there were three major outcomes of transformation “which influenced urban development in Prague: (1) new societal rules based on democratic policy and market principles; (2) a vast number of private actors operating in the city (including property owners); (3) an openness of local economic systems to international economic forces” (1999, p. 81). The aim of this chapter is to assess the changing socio-spatial aspects of tourism development in Prague and its impact on local residents as well as on tourism itself.

## 2 Study Design

### 2.1 Research Area

The research was conducted in the historic centre of Prague, which was designated as an Urban Landmark Reservation in 1971, and in 1993 was inscribed on the UNESCO World Heritage list. The area covers 894.94 ha and includes historic

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<sup>1</sup>Czechia (geographical name for the political entity, the Czech Republic) was established in 1993 as one of the successor states of former Czechoslovakia (The Czech and Slovak Federative Republic).

districts of Prague: Old Town, Josefov, Lesser Town, Hradcany, New Town and Vysehrad. Particular attention was focused on the so-called Royal Way, the most visited part of Prague (see Kádár 2013; Dumbrovská and Fialová 2014). This route is 2.4 km long and connects the most remarkable sights in Prague on both sides of the river Vltava: Municipal House, Old Town Square, Charles Bridge, Lesser Town Square and Prague Castle.

## ***2.2 Data Collection and Methods***

The research was based on a combination of qualitative and quantitative methods. Primary as well as secondary data were used. In the first stage, secondary statistical data on tourism (number of hotels, beds, and tourists) in Prague were analysed. This part of the research was included in order to obtain an overall view of the development of tourism in Prague. In the second stage, the contemporary situation of tourism development in the historic centre of Prague was analysed, based on a survey (or mapping) of the retail outlets in the most visited part of Prague, the so-called Royal Way. The survey was carried out in summer 2015. In the third stage, in-depth interviews were conducted with residents living (or who used to live) in the historic centre of Prague. Fifteen interviews were undertaken, involving ten women and five men between the age of 40 and 60. The gender distribution of the sample was based on the fact that primarily women take care of the household and family and thus they are more sensitive to the changes of essential retail outlets, which was confirmed by the research. The age range was chosen based on two premises. Firstly, respondents should be in the economically active age to gauge the aspects associated with daily activity and leisure time spent in the historic centre. Secondly, respondents should have lived in the centre of Prague before 1989 to be able to compare the situation before and after the Velvet Revolution and identify the changes after the Revolution. The aim of the survey was to capture the experience of local residents with the changes the historic centre of Prague has undergone due to tourism development and how they have dealt with it. The interviewed residents comprise mainly middle income or slightly higher income groups. Seven respondents work in the public sector (secondary school teacher, primary school teacher, after school child carer, school counsellor, office worker at the post-office, personal assistant a Ministry, researcher) and eight of them work in the private sector (singer, architect, actor, self-employed in the building industry, private medical doctor, lower manager in a business company, restaurant owner, plumber). Every respondent has more than one child, five on them live in a household with their adult children, nine respondents live only with their partner, and one lives alone.

The fourth stage involved a questionnaire survey with Prague residents in pre-selected locations, which was undertaken by students of the University of Business in Prague on behalf of the Czech Tourism Authority in January 2015. Two locations were selected: the firsts in the most touristic part of Prague, i.e. the Old Town Square, and the second in a more residential part of Prague,

i.e. Stromovka (a large park in the inner city). The questionnaire survey aimed to assess the satisfaction of local residents with tourism development in Prague. This survey is a part of broader research interests dealing with the overall local residents' satisfaction with tourism development in tourist-attractive locations of Czechia. Respondents of the survey were local residents living within 30 km of the survey area and spending a minimum of three days per week in the locality. In total, 100 questionnaires were undertaken in Prague (50 in Old Town Square and 50 in Stromovka). The selection of respondents in each location was based on predetermined quotas by age and sex (25 men and 25 women).

### 3 Key Findings

#### 3.1 *Economic Transformation and Tourism Development in the Historic Centre of Prague*

Tourism in Prague has evolved rapidly. In the 1990s structural transformation started market-led changes in the city environment. The most important mechanisms at the urban level were restitution and privatisation (mostly the so-called small privatisation).<sup>2</sup> According to Sýkora (1994), 70 % of total housing stock in Prague 1 (the central historic district) returned to their original (pre-communist era) owners. The liberalisation of prices and bad condition of buildings led in many cases to an immediate sale of the property, often to foreign capital. The small privatisation between 1991 and 1992 had a profound impact on the functional changes of retail outlets and services in Prague's historic centre. Sýkora states that "nearly 2,500 shops, restaurants and smaller enterprises found new owners or tenants in the small privatisation auctions. . ." (1994, p. 1156). Due to an increasing tourist demand induced by the opening of the state borders to western countries, the supply side (mostly) in historic centre of Prague began to transform in favour of the tourism sector. "Tourism in general and accommodation in particular have attracted more foreign investment than other branches of the economy and triggered a dramatic cycle of hotel building and their reconstruction" (Hoffman and Musil 1999, p. 184). By 1996, the number of beds in collective accommodation had increased by more than 300 % and the number of collective accommodation establishment rose from 111 units in 1989 to 385 in 1996. The number of foreign tourists in collective accommodation increased in the same period by 80 % (Statistical Yearbook of the Czech and Slovak Federative Republic 1990–1992, Statistical Yearbook of the Czech Statistical 1993–1997). If we include tourists in private accommodation units and tourists visiting friends and relatives, the real number of visitors was almost twice as high. "On the one hand, the huge inflow of commercial

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<sup>2</sup>"The aim of small privatisation was to sell small state-owned businesses by mean of public auction into private hand." (Sýkora 1994, p. 1156).

investment facilitated the physical and economic revitalisation of the dingy city centre; on the other hand, however, it led to rather negative consequences, including population decline, traffic overload, and conflict with the historical heritage bodies” (Ouředníček and Temelová 2009, p. 17).

According to interviews with local residents, the changes in functional structure of retail outlets were evident immediately after the revolution. They predominantly state that within 5 years of the end of the communist regime the historic centre of Prague had changed dramatically. The former resident-used facilities like cinemas, cafeterias, bookstores and other essential stores (e.g. grocers, butchers, bakers, ironmongers, etc.) have been fading away and new facilities that serve tourist demand have started to appear. “The urban changes in post-communist Prague [...] have been influenced especially by internationalisation and globalisation.” (Sýkora et al. 2000, p. 63). On the one hand, a profound impact of globalisation in the form of large international/global chains (such as McDonalds, KFC, Ritz, Hilton, Billa, etc.) can be observed, and on the other hand, small businesses owned by immigrants from south-eastern Europe have started to emerge (especially from Bulgaria and the former Yugoslavia, Čermáková 2012); “a significant factor contributing to foreign ownership has been the difficulty Czech entrepreneurs have had in borrowing money at reasonable rates” (Hoffman and Musil 1999, p. 184).

Alongside the market liberalisation, the other significant effect associated with the increasing level of international tourism in Prague was an increase in prices. Most of the interviewed residents perceive tourist inflation as constraining. For instance, the residents are ceasing to dine in local restaurants because of price increases.

On the other hand, transformation and the subsequent market economy have had a positive impact on the overall condition of historic buildings. Foreign investment in the historic centre of Prague and raising revenue from the rental of ground-floor parts of buildings to cafés, restaurants and small shops has allowed for repairs of historical buildings in the city centre. This particular change was perceived by all respondents as the most significant one.

### ***3.2 The Tourist Ghetto on the Royal Way***

The processes of touristification of Prague’s city centre that started in the 1990s have intensified over time and brought negative effects because of the overwhelming concentration of tourism in the historic core. In 2015, there were 168 retail outlets, 121 restaurants, and 44 accommodation establishments concentrated on Prague’s Royal Way. More than 90 % of these facilities could be assessed as tourist-oriented according to the type of goods and services they provide and their price level. Most of the retail outlets consist of souvenir shops, jewellery (mostly Czech garnet) and crystal (mostly labelled as Czech crystal). Other tourist facilities comprise 19 exchange offices, 5 Thai massage services, 3 museums of chocolate, 2 museums of torture, 2 wax museums and 1 Ghosts and Legends Museum.

Local residents, especially women, perceived the overall touristification of Prague's historic centre as insulting their (Czech, Prague) culture. They complained about the type of goods offered on the Royal Way, which are according to most of the respondents mostly kitschy or of fake authenticity.<sup>3</sup> One respondent, who used to live in Lesser Town Square, states that the Royal Way looks like Disneyland, where everything is made only for tourist enjoyment.

The questionnaire survey, as well as in-depth interviews, shows that the perceived level of tourist activity in the historic centre is very high. Despite this fact, residents expressed mostly positive or neutral attitudes to tourists (88 % of questioned respondents). 27 % of them even argued in favour of increasing the number of tourists and 35 % prefer to maintain the current amount.

The in-depth interviews showed that residents perceive tourists and tourism as part of the historic centre. As one resident stated: "At first I had a problem with too many tourists around my home, but then I looked at the building and I realise that they only want to see this beauty" (respondent living in Old Town Square). Most of the residents also stated that this is the price they are willing to pay for living in the centre. There are disadvantages (noise, overcrowding, higher prices), but also advantages (walking distance to culture entertainment, work, and school).

### ***3.3 How the Residents Deal with the Pressure of Tourism Development***

The interviews and questionnaire survey show that local residents do not revolt against tourism development and, in most cases, they display positive or neutral attitudes to tourists (see also Pixová and Sládek 2016). Residents use several practices to cope with the overall tourism intensity in their neighbourhood. The concept of coping mechanism comes from outdoor recreation studies (see Manning 1999). Popp (2012) transferred this concept to urban destination. She investigated how tourists cope with negative crowding in Florence. She conducted interviews with German individual tourists staying in the city for longer than average. She states that these tourists use temporal and spatial coping mechanism to avoid crowding. The residents in Prague in the historic core act in a similar way; they primarily use four types of spatial displacement, which are also temporally defined.

*Micro-spatial displacement* is used by residents for their daily movement, particularly between home and work. They choose less busy side-streets along the beaten track area. They also cross the area in the early morning or later evening hours when tourist traffic is lower.

*Intraspatial displacement* represents a displacement within the city but outside the tourist area. Residents use this mechanism especially for their leisure activities.

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<sup>3</sup>Souvenirs and foods labelled as 'Czech' in many cases originate in other countries, such as Russia, and do not have a connection to Czech tradition (e.g. matryoshka).

Most female respondents mentioned these areas in conjunction with babysitting. They usually took their children to gardens or parks in the city centre, where playgrounds are situated. This coping mechanism is granted on the basis of two premises. Firstly, there are quite a lot of green areas in the city centre and, secondly, tourism is highly concentrated (or gated) in a relatively small area.

*Interspatial displacement* illustrates movement outside the city. A lot of interviewees own a second home in the countryside. They leave Prague almost every weekend from May to September (depending on the weather) and for a longer time during a summer holiday. Second home tourism is a widespread phenomenon in Czechia and represents a significant part of Czech lifestyle (Fialová and Vágner 2014). Interaction with tourist crowding is thus limited to the working day and off-season periods, when the tourism intensity in Prague is significantly lower.

*Total displacement* represents (in this case) permanent relocation of resident out of the tourist areas. Three interviewed residents have move out of the very city centre within last 10 years, but only one of them stated that tourism development was a reason for moving. This respondent lived in Lesser Town Square for more than 50 years and does not own a second home. She mentioned primarily noise during night-time hours, inappropriate tourist behaviour, as well as tourist overload and congestion.

Crowding studies also identify relative attitudes to crowding according to visitor expectation and previous experiences (Vaske and Donnelly 2002). As urban environment, especially in capital cities, is characterised by higher population density, the tolerance of local residents to overcrowding could be higher than in the case of rural areas.

## 4 Discussion and Conclusion

The historic centre of Prague and the Royal Way in particular have evolved over the last 25 years into a tourist ghetto. The processes, which have had a profound impact on these changing socio-spatial patterns, started in the 1990s with the structural transformation of the country. Although similar processes of touristification have occurred in western cities, the changes that took place in Prague were intensified by the rapid transformation of the economic, political and social system as well as the effort to make the market competitive internally and externally as soon as possible. The unwillingness of the state to interfere with the market, given the negative experience with the long period of central-planned economy, and the increasing tourism revenues have led to uncontrolled development of tourism in Prague's historic centre. Although local residents do not have a negative attitude towards tourists, the direct and indirect effects of tourism development constrain their everyday movement and quality of life, mainly the higher noise during night-time hours, overcrowding, tourist inflation, and increased phenomena such as crime, vandalism, strip clubs and brothels, etc. Higher tolerance of local people to relatively high tourism intensity in the historic centre of Prague (see Dumbrovská and

Fialová 2014) could be explained by three interrelated circumstances. Firstly, there is quite a large amount of green space in the city centre. Secondly, many respondents own second homes in the countryside, which allows them to “escape” from crowded city. And thirdly, tourism in Prague is gated in a relatively small and easily recognisable area. The creation of a tourist ghetto in Prague could thus have posed a rational division of territory where local residents have a choice to cope with it. This is what Hoffman and Musil have called “tourist Prague and Prague for locals” (2009, pp. 14–15). On the other hand, the creation of a tourist ghetto implicates disruption of the visitor-resident relationship and thus the separation of Prague’s tourism from local culture. This could lead to erosion of the sense of place and the identity of the historic core (Simpson 1999) and thus to a loss of competitiveness of the destination. Prague’s historic centre as a tourist destination has already reached the stage of consolidation in its tourist area life cycle (Butler 1980) and future development is questionable. Systematic and integrated management of the area is a necessary prerequisite for successful future development of tourism in Prague. A tourism development programme should be implemented in Prague’s overall strategic plan and land-use planning document to be able to manage tourism in the historic core in relation to other urban functions and users. Separately developed tourism could lead to degradation by tourist overuse, and thus to the tourist trap effect, i.e. the self-destructiveness of unregulated tourism. The tourism industry devalues its own capital (cultural as well as environmental qualities of the destination) and thus the preconditions for sustainable development in the destination (Pásková 2012).

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