

Tourism Development Strategy and Its Impact in Number of Tourists and Albania Economy

Olta Kapllani Proda*

Department of Management, University of Tirana, Saranda Branch, Sarande, Albania

Abstract

Since 26 years ago, Albania is an attractive and opened destination that can be visited and discovered from different tourist from all around the world. Especially the recent years, the tourism is considered being one of the most important sectors of the economy of the Republic of Albania, though is being given a special attention. During the last years, government has are planed under a pure developmental strategy which It helps to maintain a sustainable and long-term development. The above strategies included the strategic concept to tourism development giving a strategic direction and a development of tourism products for leading Albania to achieve being a future attractive tourism destination in the international touristic market. The main purpose of this study is to show the importance of the tourism development strategy in the economic development in the case of Albania. The study will contain a theoretical part and also a part of the Albanian development tourism strategy and its impaction the different macroeconomic factors. The final research results show that as a result of a sustainable planning and developing tourism strategies by the responsible institutions of the Republic of Albania, the number of international tourists of a large nationality as well has considerably increased. This increase in the number of tourists has had its impact in increasing the level of Gross Domestic Product (GDP) of Albania. An increase has also been noticed in the employment percentage of the labour forces which has a direct /indirect impact from the development of the tourism sector.

Keywords

Strategic Management, Development Strategy, Tourism Sector, GDP, Number of Tourists

Received: August 16, 2017 / Accepted: September 19, 2017 / Published online: November 1, 2017

@ 2017 The Authors. Published by American Institute of Science. This Open Access article is under the CC BY license.

<http://creativecommons.org/licenses/by/4.0/>

1. Introduction

After the collapse of communist system, since 1991 Albania was an opened country to be visited by people from around the world. The first decade from 1990 to 2000 country has gone in a transition development regarding to tourism, construction, structures management field was left entirely in the hands of its tourist operators.

After 1990 Albanian governments realized that tourism was one of the most important sectors in the country to generate income. The Albanian government, through the development of partnerships of public and private sector and in

cooperation with other organizations has worked into building and formulating the appropriate strategies, application of which has created new opportunities for the country, minimizing the weaknesses and realizing the threats and reduce them.

Governments have the opportunity to strengthen tourism by providing infrastructure, services and financial resources, but also have the ability to control production resort, in order to ensure the product quality, the services required by tourist development and set different criterions to the establishment and the operation of business tourist common interest with the aim of tourists and the local community.

Tourism Development Strategies over the Years in Albania

* Corresponding author

E-mail address: oltakapllani@yahoo.com

After the '90s Albanian Government it began to work to provide a legal framework for the tourism development. The Law on Tourism No. 7665, dated on January 21, 1993 "For the development of tourism priority areas" and its amendments provided a legal framework which had developed the country's tourism strategies. The most important critical points of the legal framework were those in which the country was facing at that time. This law was not a modern and comprehensive law for tourism development; it rather was an appropriate response to the priority issues the country was facing in 1993. The law represented a lack of bylaws and regulations for the tourism development.

Tourism Development Strategy 2002-2012

The Ministry of Tourism and Territory presented in 2002 "The Tourism development Strategy in Albania." This strategy was first a coordinated effort in place to bring forth objectives and a concrete plan for the development of the tourism sector in its infancy. [1] The main macro-economic long-term tourism strategy for the development of the tourism sector was:

Generating jobs and income, Acceleration of the economic development of the country over the social impact, Improvement of the living conditions in Albania, Commencement of economic activities.

During 2005-2006, the Ministry of Tourism, Culture, Youth and Sports, prepared and approved the strategy and the plan for natural tourism and environmental development.

The purpose of this document is to facilitate the process run by the Ministry of Tourism, Culture, Youth and Sports for developing the strategy and its implementation. This process was based on the existing legal framework. The objective was to establish a clear direction for a national tourism strategy oriented to the natural resources tourism and the culture. The overall objective of the Albanian tourism development was to increase significantly the quality of life of the Albanians in a larger scale.

Tourism Strategy and Action Plan Is Estimated at a Tourism Strategy 2007-2013

The document [2] "The Tourism Sector Strategy" was prepared within the frame of a process initiated by the Albanian Government in order to coordinate the strategies of different sectors of the economy, where as the priority is given to the need for revision of the Tourism Development Strategy 2002-2012 and the combination of its Strategy and the action plan for the development of natural and environmental tourism.

National Tourism Strategy 2014-2020

It's a strategy recently developed by the Albanian

Government for the coming years. This is a main platform associated with policies, reforms and measures in the tourism sector not only for the Government and the Ministry responsible for tourism. This strategy reflects the Government reform program in all sectors, with the aim to establish tourism in sustainable development directions and to cut the development chaotic path, unplanned and uncoordinated tourism. [3]

Further to that, this strategy reflects the demand from of all stakeholders in terms of their high expectations regarding the contributions of the tourism and the necessity for the leading role of the Ministry responsible for tourism in this strategic process.

The purpose of the development of tourism in Albania is to enhance the quality of life to a considerable number of Albanians.

2. Objective of Study

The main purpose of this study is to show the importance of the tourism development strategy in the economic development in the case of Albania. In addition, it has been tried to give a clear picture of the importance of the strategy in the tourism and the direct impact on the increased number of tourists during the recent years.

The final research results show that as a result of a sustainable planning and developing tourism strategies by the responsible institutions of the Republic of Albania, the number of international tourists of a large nationality as well has considerably increased. This increase in the number of tourists has had its impact in increasing the level of Gross Domestic Product (GDP) and employment percentage of the labour forces, in Albania.

3. Literature Review

The origin of the word *Strategy* derives from Greek, "strategos", which means "general". [4]

The military strategy deals with the planning and its execution in a war environment, taking into account the relevant strategy and tactics for the execution of this plan. The positioning of the enemy into a "chess" situation requires a well-thought Plan, with a special request on its execution. [4] The strategic management has evolved as a field of study over the last 50 years. In the years 1950 and 1960 the strategic management was regarded as a perspective of the general management, with a special focus on its role as the leader. As such, the focus within an organisation was about the leadership, the interpersonal relations, systems, processes and the structure. The firms approached the upside-

down strategy, leading ahead the fundamentals of decision making process. Nonetheless, the strategic management was not yet clear or standardised during this phase; it was informal and prone to implications. [4]

In the field of hospitality and tourism, the strategic management emerged as a field of study in the mid-1980s that aimed at implementing the works of scholars in the field of strategic management of tourism organizations. [5] These efforts aim to confirm theories about the unexpected, strategic planning and competitive strategies.

In the 1990s, the globalization led to the emergence of network strategies, and strategic alliances became focal points around which the researchers developed the relevant literature [5]

According to Porter [6] a good Strategy is distinguished by what a firm is able to create across a course of actions and “the substance of the strategy is choosing to carry out activities different than their competitors. It has to be noted that this definition is far from being confusing from what strategy really stands for. The strategy is not an action, nor a mission, vision or aim. The strategy provides to the firm the possibility to grapes a unique position in its relevant market. A good strategy shall be in line with a clear definition about the industry, its products and services. As a matter of fact, the strategy hands to the firm the opportunity to take the right decisions in terms of the choices related to the course of their actions.

As the strategy needs to be a continuous process, the mapping of the strategy shall be based on a long term approach. In order for this to happen, according to Chandler [7], a firm shall clearly define its long terms aims and objectives in the same way as how they will be reached along the course of the predefined actions and decisions for the allocations of the resources.

However, the benefits are otherwise referred to as the positive effect those who make governments give special attention to the development of the tourism industry [8]

According to Stynes [9] the travel and tourism sector has the ability to provide a variety of positive economic impacts and the most important of these are:

- a. Increased domestic revenues and foreign currency entering in the country the incomes from tourists will be allocated to various sectors of the community, such as the local tourism sector, restaurants, retail commerce sectors, etc. About 30% of this revenue will flow out of the community to cover the costs of goods purchased by tourists, which are imported goods. [10]
- b. A good part of the remaining revenue, most probably 50% of it, or more, will be allocated for the payment of the

direct Tourism Workers (staff who works in various tourist structure which have direct links with tourists. [11]

- c. Increasing employment. The industry of tourism constitutes one of the most prominent industries that generate the largest numbers of jobs, generating much more job opportunities than the manufacturing industries. As such it is a valuable resource for the employment. According to WTTC, one out of eleven jobs is made available from the Industry of tourism. Some of the businesses that operates in the field of tourism are hotels, motels, restaurants, transport agencies, travel agencies, tour operators, gift shops, taxi services, guides, etc. [12] This Industry hires a significant large number of people and offers a large variety of job skills starting from non-qualified staff up to very specialized employees.
- d. Besides the above mentioned businesses that directly generate the largest number of jobs within this industry, there are others also, small or big ones, that takes care of the fulfillment of the tourists ‘needs, procurement and provision on their demands.
- e. Thus, this is about those businesses that do not directly operate in the tourism field but they do offer product and services that are consumed by tourists. [12]
- f. Improvement of the infrastructure one of the benefits of the tourism is improvement of the infrastructure or investments which are inflow by the private sector and the public one. These investments might be a direct investment in the tourism, such as the accommodation structures, restaurants, leisure, etc. which are undertaken by the private owners themselves. Yet, they can be general or indirect investments that affect and be affected by the tourism. Such as investments from other industries impacting the tourism, like airports, road infrastructure, etc.

4. Methodology of the Study

The present study is based on the secondary data, collected by various state institutions and annual statistical reports prepared by various international organizations that have a high credibility. Statistical reports compiled by Albania's development authorities, academic journals and online office pages. The study will show the impact of development strategies devised by the Albanian government in the economic development of the country. Concretely, the data will be reflected in the growth of years of the number of tourists and the consequent impact on GDP growth, the increase in employment levels and the growth of investments that have taken place year by year.

The data include the years 2010-2016.

5. Data Analysis & Discussion

5.1. The Number of Tourists over the Years

The number of tourists travelling to Albania is doubled these last 6 years. If in 2010 2.3 million people were driven Albania borders in 2015 were 4.1 million. The largest number of tourists constitute from neighbouring countries, Kosovo, Macedonia, Montenegro but also from Italy and Poland, Germany who choose to spend their summer

holidays in Albania. The number of foreign visitors to the territory of Albania is on the rise every year, except 2013 where this figure has declined from 3,513,666 to 3,460,103 visitors. [13] Although the number of tourists has again been on the rise during the next few years although as we will see in this ongoing increase in the number of tourists will not necessarily bring an increase in revenues.

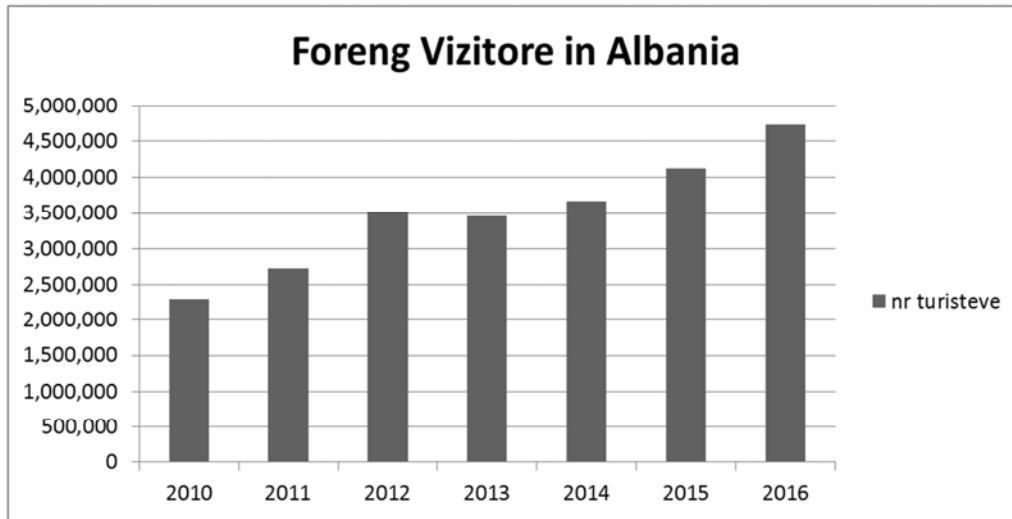


Figure 1. Foreng visitor in Albania, 2010-2016, Source INSTAT.

From the above table we can arrive at the conclusion that the strategy elaborated by the ministry of tourism has made its contribution to the growth of this request and the recognition of Albania as destination. This has made to increase and the range of number of states who have added Albania, as a possible destination for their vacations.

The data which were provided by the Albanian Institute of Statistics INSTAT, we will reflect the countries of origin of tourists who have visited Albania this year together with the

share each of these countries in their total number.

During the years 2010-2016, about 80% of visitors came in Albania from neighbouring countries and Southern Europe. More distant markets, beyond neighbours and beyond "Albanian visitors" represent a minority percentage of the total number of visitors. It is significant to noteworthy that the growth came from all regions.

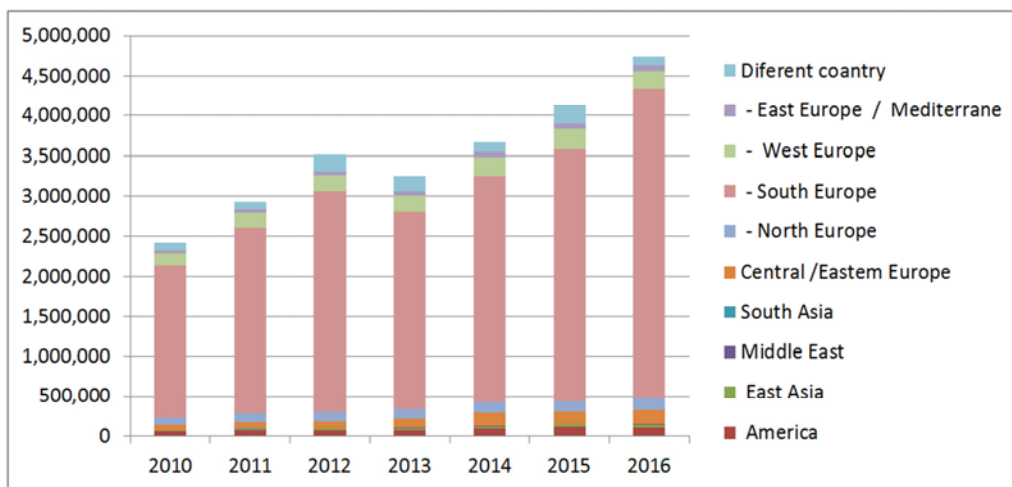


Figure 2. Arrivals of foreign citizens according to regions, 2010-2016, Source INSTAT.

5.2. Increased Domestic Revenues and Foreign Currency Entering in the Country

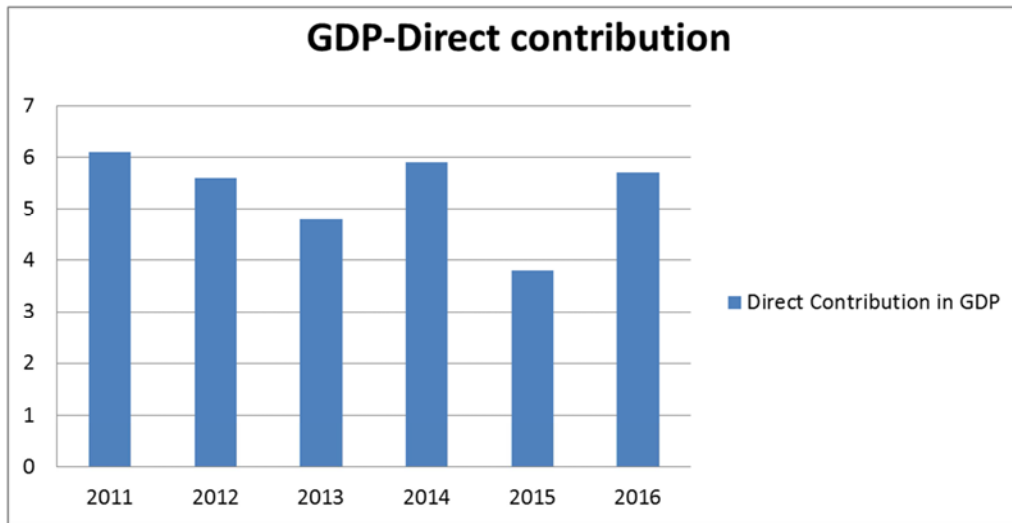


Figure 3. GDP- Direct contribution 2011-2016, Source WWTC.

According to the World Council for Tourism and Travel - WTTC, the direct contribution of tourism to the GDP in Albania was 81.4 billion Leke in 2011, which mines 6.2% of total GDP. In 2012 it would have been decreased in 5.6%. In 2013 [14] its contribution to the GDP was 1 billion Leke, or representing 4.8% of it.

During 2014, the direct contribution of tourism constituted 5.9% of the GDP, while during 2015 would have been decrease by 2.1% going back again into 3.8%. [9]

5.3. Increasing Employment

According to WTTC, the tourism is an important contributor of global GDP growth to 9.8% during 2015. As well as the sector that now counts until that date 2,840million employed individuals thus one in a 11th works in the planet. [9]

During 2011, the direct contribution to the jobs was 51,000

employed, 5.5% of total employment; the overall contribution was 19.8% or 183,500 jobs.

In 2012, the direct and indirect contribution were respectively 70,000 and 190,500 jobs, which mine the highest number of jobs over the last few years.

The level of employment during 2013 was 41,000 direct jobs in the tourism sector or 4.3% of the total employment, while indirectly it has opened 146,500 jobs or 15.2% of the total employment. [15]

During 2014 the direct contribution was 55,500 jobs which make up 5.3% of the total number, and 182,000 of indirect jobs (19.2% of the total number). With regards to 2015 the direct contribution has not changed and the number of indirect jobs that went to the 180,500 has decreased to 0.8% of the total. [9]



Figure 4. Employment contribution 2011-2016, Source .^\$WWTC.

5.4. Improvement of the Infrastructure

In 2011, the investment in the tourism was about 21 million Leke or 4.8% of the total of the investment, whereas for 2012 this would remain the same. The situation wouldn't change even for the coming years 2013 and 2014, where the weight

of the investment in the tourism industry would be 4.3% of the total of investment. [14] A significant increase would only occur in 2015 and 2016 respectively with 5.7% and 7.1% of the total of investment for each respective year.

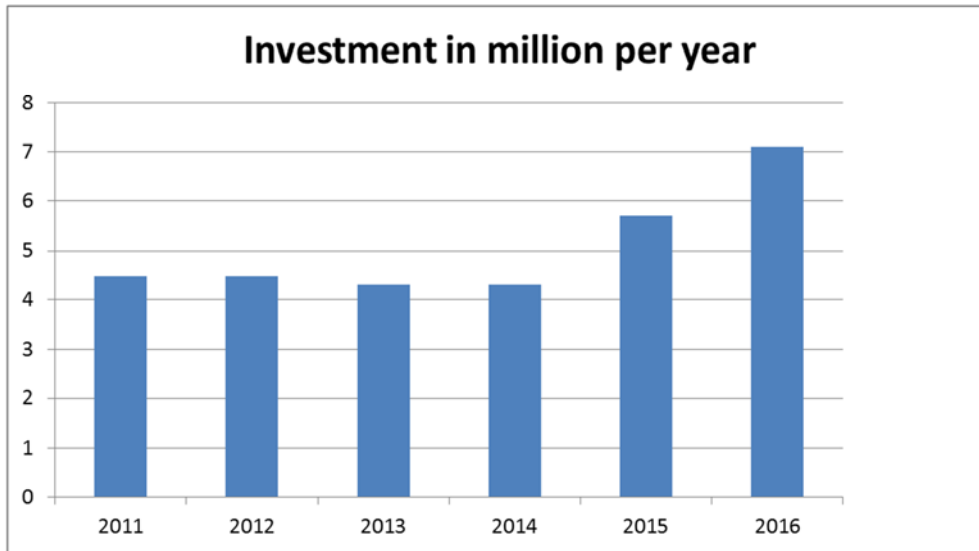


Figure 5. Investment in million per year, 2011-2016, Source WWTC.

6. Conclusions

The tourism is one of the most important industries in Albania today. By nature, it is one of the main revenue generators in the national economy.

In its title as the most prominent generators of the country economy, its growth cannot depend on the private sector contribution only. The Governments of Albania are having a special focus on the development of this sector.

In the latest decades, a myriad of strategies for the development of the tourism sector have been elaborated, which have significantly affected the development of the tourism. Nowadays our country is recognized as a competitive destination not only in the region but farther than that. The demand for visiting our country has increased as well, in the same way as the number of the countries that generates this touristic demand.

There are numerous advantages in the economy of a country coming from the tourism industry; some of their benefits are brought up in this study. The weight of the revenue from the tourism industry in the National GDP is increasing year after year. According to the WTTC, a significant increase is expected in the coming years as well.

The employment in the tourism sector is one of the economic benefits coming from this industry with an increasing trend of the job demand year after year, regardless the connection

of the employment in enterprises operating directly or indirectly in the tourism industry.

On the other hand, there have been investments undertaken by the private sector and by the government funds, which could be direct investments in the tourism sector (investment in the hospitality structures, accommodation, entertainment) or indirect investments in other sectors but in a certain way their service to the industry of tourism cannot be neglected (road infrastructure, airports, commodities in telecommunication, payments, safety in the Albanian territory in case of emergency).

In the recent year, Albania is proudly being recognized in the international market and it is becoming a competitive destination, proved by the increased number of the international tourists entering the country every year bringing the tourism on the top of the industries in the country.

References

- [1] Ministry, Tourism and Territory. *Tourism development strategy*, 2012.
- [2] Ministry of Tourism, Culture, Youth and Sports. *Tourism Sector Strategy 2007-2013*. 2008.
- [3] *National Tourism Strategy 2014-2020.*, 2014.
- [4] Okumus, F, Altinay L, Chathoth, K, P. *Strategic management for Hospitality and Tourism*. 2010. Vol. 1.

- [5] E. C. Majebi. *Strategic Management in Hospitality and Tourism*. Lagos: s.n., 2012, p. 15.
- [6] Porter. *Competitive Strategy*. New York: The free press, 1980.
- [7] Chandler, A, D. *Strategy and Structure*. Cambridge: Mit press, 1962.
- [8] *Evaluating Tourism's Economic Effects: Comparison of Different*. Hussain. K., Kumar. J. and. 2014. *Procedia - Social and Behavioral Sciences*. pp. 360-365.
- [9] Stynes. D. J. *Economic Impacts of Tourism: A handbook for tourism professionals*. Illinois: tourism research laboratory at University of Illinois, 1997.
- [10] Stynes, Daniel J. *Economic Impacts of tourism*. Michigan State: s.n.
- [11] Stynes Daniel, J.
- [12] *The impacts of tourism industry on host community*. Zaei, Mansour Esmail. 2013, *European journal of Tourism Hospitality and research*, pp. 12-21.
- [13] INSTAT. *www.instat.gov.al*. [Online] INSTAT, 2015.
- [14] WTTC. *Travel & Tourism, economic impact 2013*,. London: s.n., 2013.
- [15] Butler, R. W. *Seasonality in Tourism: Issues and Implications*". [book auth.] T. & Lundtorpe, W Baum. *Seasonality in Tourism*. Oxford: Pergamon, 2001.
- [16] WTTC. *Travel & Tourism, economic impact 2015*,. London: World Travel & Tourism Consil, 2015.
- [17] Murphy, P. E.. *Tourism, A Community Approach*. London: Methuen. *Tourism, A Community Approach*. London: Methuen: s.n., (1985).
- [18] Mintzberg, H. Ahlstrand, B. Lampeel, J. *Strategy Safary*. London: Prentica Hall, 1998.