



## **GLOBALIZATION AND TOURISM INDUSTRY IN ALBANIA**

**Olta Kapllani**

Phd Candidate

University of Tirana, Saranda Branch, Albania

kapllaniolta@gmail.com

### **Abstract**

*The aim of this study is to bring the opportunities that have been given to tourism in Albania as a result of globalization, but also the challenges that must be faced in order to compete in the regional and global markets. The globalization has brought great changes in developing many sectors of a country by changing the way people dress, think, behave, communicate, and move. It has as well affected the discovery of brand new tourist destinations, shifting the trends and behaviors of tourists by making new trends in the tourism market. This is quite positive for the tourist industry. The tourism industry in Albania is growing up every day. The tourism demand has been increased significantly increased in last ten years. The direct contribution of this industry in Albanian GDP is also increasing every year. In addition, the number of people that are working in the tourism organisations related with tourism. Except the opportunities that have brought the process of globalization to the tourism industry, it is also accompanied by problems and challenges that need to be resolved.*

*Keywords: globalization, tourism sector, challenges, opportunities, Albania*

### **INTRODUCTION**

Globalization has changed the market reality for the tourism industry in Albania, after the 1990s, Albania is an open market to compete in global markets. The number of visitors that want to visit Albania is growing, now it is hosting tourists from all over the world. Technological changes have made it easier to communicate and transport people to the destination. The development of new technologies will lead to greater efficiency and reorganization of the communication and business strategy of service providers. (Dwyer, 2015) The Internet enables



small business marketing, which can be directly linked to consumers and competing in global markets. (Buhalis, (2008))

This paper aim is to look at the phenomenon of globalization in tourism and to determine the opportunities and challenges that a tourism destination need to face.

## LITERATURE REVIEW

Globalization of tourism is described as a "megatrend", which is associated with different dimensions and consequences as positive and negative(Mrak, 2000). In a general sense of tourism, globalization consists of three basic elements. First, there is a geographic side. The term covers the inter-national travel and expansion of world-wide tourism. Secondly, globalization can be seen in the unification of the world's tastes, product preferences, and lifestyles, leading to increased standardization and homogenization of the market. Secondly, globalization can be seen in the unification of the world's tastes, product preferences, and lifestyles, leading to increased standardization and homogenization of the market (VANHOVE, 1996).

The globalization of the tourism industry has some important strategic implications. It increases the competitive pressures and the complexity of doing business by bringing more competition to the marketplaces where firms operate.

Each country, based on its individual gifts and circumstances, will need to develop and implement national-level policies that ensure that the country benefits from the opportunities that provides globalization and at the same time faces the risks it face.

Regarding national economy (JE, 2003.), there are three distinct advantages:

- (a) The demand for nation's product is no longer limited by national markets;
- (b) Investments in a nation are not limited by its savings;
- (c) Producers of a nation may have access to Advanced Technology.

On the other hand, some of the challenges are:

- a) Not only the demand for our product is growing, so a good part of the domestic consumer will consume products abroad
- b) limited financial resources;
- c) Insufficient technological infrastructure restrictions, in terms of resources, both human and financial,

Table 1 Interpenetration of tourism and globalisation (Vizjak, 2015)

TOURISM	GLOBALISATION
Movement of the population trend – tourists, employment in the tourism industry	Movement of the population - migrations
Movement of ideas – new cultural values, business in tourism	Movement of ideas – new technologies
Movement of capital – innovation in the tourism industry, foreign investments	Movement of capital – accelerated movement
The need to expand new technologies – open breakthrough	Slow new technologies
The ancient civilizations- limitations of certain social groups	Time-space compression
Strong growth in the past 100 years	Time-space compression
Travelling for everyone, development of global tourism culture	Global tourism culture
Tourism needs local culture or image – differences between destinations	Global culture

### INFLUENCE OF TOURISM IN ECONOMIC GROWTH

Some scholars are skeptical about the impact that globalization has on economic growth (Stiglitz, 2002), while others see it as a useful tool for developing countries (Friedman, 2005). Many researchers have discussed the impact of globalization on tourism and there is a consensus about benefits that globalization brings to the host community, and Albania is a host destination. Globalization has increased the chances of people who like to travel, which in itself is an incentive for the tourism industry.

The economic benefits of globalization can be summarized as follows: economic growth, job creation, stimulation of the effect of recovery in terms of economic development, economic equality between different countries, etc. On the one hand, globalization stimulates tourism, which is beneficial to the impact on a country's GDP, but can also generate losses in form of imports of goods and services that will be consumed by tourists (Dwyer, 2015).

On the other hand, in less open economies, national tourism can be limited and subject to government control, however, most of the revenue from tourism may remain within the country due to import restrictions (positive impact). Hence, as the highest and lowest level of

globalization of a country can have both positive and negative impact on economic tourism contribution.

### **Job creation**

Globalization can be a catalyst for job creation. 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. Such as, it is a valuable resource for the employment. According to WTTC, one out of eleven jobs is made available from the Industry of tourism .(Zaei, 2013) Local employment may be low or unqualified, seasonal, low and part-time wage less opportunity to career advancement. Globalization is accompanied by greater opportunities to gain jobs at the international level. (Dwyer, 2015). Jobs created by tourism can motivate a category of individuals and reduce emigration from rural areas. The community can improve the prospects of their profits through professional training related to tourism.

### **Economy Equality**

Another advantage is that globalization affects the growth of employment, thereby increasing the standard of living of people worldwide, which also alleviates poverty. Over time, some nations become richer and more efficient, trade benefits will "flow", reducing poverty levels. The "flow" story is criticized as unrealistic (JE, 2003). So, a cause and effect relationship between tourism and economic growth can not necessarily lead to higher standards of living in developing countries, as these are also more dependent on income distribution and the quality of services.

## **GLOBALIZATION AND TECHNOLOGY**

Globalization has created new opportunities for the development of the tourism industry through the evolution of technology, communication and transport (Yeoman, 2008). Globalization has affected tourism service providers around the world. Computer information and reservation systems have become more flexible and cost-effective, making it easier to reach destinations at a lower cost(HOCIUNG, (2012)) The rapid dissemination of information has improved efficiency in specific industry operations and the quality of services provided to consumers. This is also generating a growing demand for new tourist services such as online hotel booking services, airline tickets and car transfers, etc. Increased use of the Internet has affected the way of marketing of destinations, the way of booking and sales products, leading to the creation of electronic tourism markets. The impact of

technology and the internet has significantly influenced the tourism industry and reduced the need for intermediaries (Reisinger, 2009).

### **The spread technical knowledge**

The information technology will keep changing the manner of how tourists have access to and use information. The global tourism industry uses social media platforms such as Facebook, Twitter, YouTube and travel blogs such as Trip Advisor, Expedia, Booking etc; much more intensively, both on demand and supply side. These new technologies facilitate the greatest flow of information between travelers. Global and macroeconomic competition increasingly affects new destinations, helping them in product creation and communication through advertising and distribution. (Buhalis, (2008))

Technological changes thus help tour organizations achieve at the same time double goals of reducing operating costs and increasing their ability to increase value for their customers. Tourism has helped to create a global transportation system through which far-reaching destinations have become more accessible. (Dwyer, 2015) Therefore the new technology is improving travel speeds and reducing real costs.

### **SOCIAL EFFECTS**

Social tourism impacts refer to the way in which tourism and travel affect collective change and individual value systems, patterns of behavior, lifestyle and quality of life of the host community. Among other things, tourism can lead to the elimination of social or national prejudices; it also encourages mutual understanding between receptions and guests. Globalization creates inter-cultural contacts, helping to promote cultural understanding and tolerance as well as the spread of democratic ideals. It has further helped creating internationally sanctioned agreements that try to ensure that people are not discriminated against on the grounds of country, caste, religion or gender (Hall, 2009) it is obvious that reality changes from case to case.

### **GLOBALIZATION CHALLENGES IN THE TOURISM INDUSTRY**

As we noted above globalization brings a lot of opportunities for touristic destinations, how they operate in the market, sell their product, and the technologies they use. Most emerging economies are highly dependent on overseas markets and export products, making their economies vulnerable to economic fluctuations occurring in developed countries that buy their products.(Dwyer, 2015) An important criticism of globalization highlights the growing risk for small economies associated with the interdependence of economic and financial markets.

Two types of risks from over-specialization are related to tourism. One type is related to the dependence that tourism has in general as an export market. The global financial crisis has demonstrated the risks associated with tourism dependence coming from unexpected changes of requirement from global markets (Hall, 2009)

Another type of danger also includes the dependence on tourism from particular sources. Changes that negatively affect a product's production and services, making it less competitive and adaptable, may result in considerable cost for over-specializing tourist destinations, especially if the lack of demand is linked with capital outflow from the local economy.

However, an obstacle hindering the ability of developing countries to gain full benefits from technology transfer into tourism is that they do not have the right infrastructure to adapt to these technologies.

The era of globalization also brings a degree of close financial and economic interconnection between countries, in environments where blows have become more global in nature and where a country's crisis may easily affect others. (HOCIUNG, (2012)) This poses a particular challenge to the development of fiscal and monetary policies, especially in the conditions of increasing uncertainty.

Another point of view is that since the cultures of those countries with more economic power are likely to be more dominant than others, it is no surprise that global tourism threatens indigenous knowledge, social structures and relations. In many developing countries, the effects of tourism in indigenous peoples have been profound: large-scale removal from their lands; economic displacement; a traditional separation values; degradation of the environment; and cultural codification, including cultural degradation when historic sites and buildings are demolished to make roads for tourist facilities.

## **INFLUENCE OF GLOBALIZATION IN ALBANIAN TOURISM**

The number of tourists traveling to Albania has grown considerably in the last 19 years. If in 2001 0.35 million people were coming to Albania in 2011 was 2.7 million and in 2019 was over 6 million (INSTAT, Arrivals of foreigners in Albania by purpose of travel, , 2020). The largest number of tourists constitute from neighboring countries, Kosovo, Macedonia, Montenegro but also from Italy, Poland and Germany who choose to spend their summer holidays in Albania. The number of foreign visitors to the territory of Albania is growing every year, except 2013 where this figure were declined from 3,513,666 to 3,460,103 visitors. (INSTAT, 2015) Although the number of tourists has again been on the rise during the next few years.

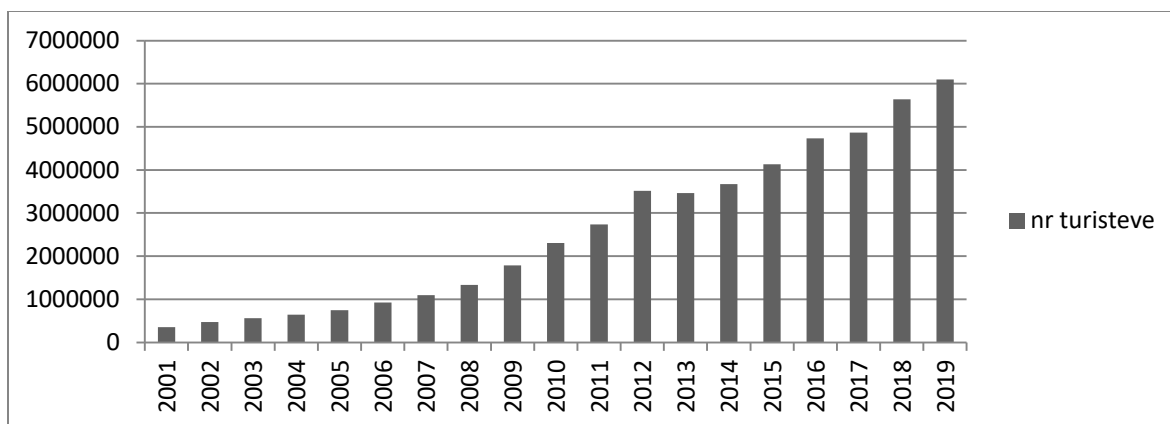


Figure 2 Foreign visitor in Albania, 2010-2019, Source INSTAT

The data which were provided by the Albanian Institute of Statistics INSTAT, it 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 last seven years, 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(Proda, 2017)

According to WTTC, the tourism is an important contributor of global GDP growth to 10.4% during 2019. As well as the sector that now counts until that date 334 million employed individuals thus one in a 10.6% of oll works in the planet (WTTC, Travel&Tourisem,economic impact 2020,, 2020)

During 2019 in Albania, the direct contribution was 77,000 jobs which make up 5.3% of the total number, and 254.300 of indirect jobs.

According to the World Council for Tourism and Travel - WTTC, the direct contribution of tourism to the GDP in Albania in 2019, was 8.5% of total GDP(WTTC, Travel&Tourisem,economic impact 2020,, 2020). Just as the positive effects tourism is associated with problems that need to be solved.

## CONCLUSIONS

It can be concluded that the world is growing rapidly and developing into a single world unit, to be known as the global country, the process of globalization is a direct function of national development.

Many researchers have discussed the impact of globalization on tourism and has a consensus about what globalization brings to the receiving community, and Albania is a

destination. Globalization has increased the chances of people who like to travel, which in itself is an incentive for the tourism industry.

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.

In addition to the benefits that globalization brings to the tourism industry there are also negative effects and problems that accompany it. Managers of tourism will require a global perspective in order to be able to respond all type of crises, such as overpopulation of touristic sites, excessive use and destruction of resources, conflicts of resident- hosted, lose of cultural heritage, growth of crime and prostitution, inflation and land-scaling costs, and socio-cultural problems.

## SCOPE FOR FURTHER RESEARCH

This study is limited in provided only descriptive literature analysis and secondary data. This study can be developed in the future from other researchers applying different types of empiric models. Additionally, other studies can conducted regarding the impact of this phenomenon in particular sectors of tourism industry.

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