

ISSUES OF EUROPEAN INTEGRATION FOR TOURISM CHALLENGES OF ALBANIA AS AN EMERGE DESTINATION

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Introduction

The EU impact has brought many benefits to Albania by improving the access to the European policies and funds. The tourism sector is one of the fast growing industries in the country and it has strongly benefited from the EU integration, making Albania, so far one of the main destinations to be discovered.

Owing to the multidimensional characteristics of tourism, the tourism sector is highly influenced by the new demands derived from the widening, deepening and enlargement of the European integration. The policies adopted by the regional area and the implementation of the more advanced degrees of integration with its resulting consequences are decisive factors in the development of the tourism sector in member countries.

In this case, among the responsibilities of European Community institutions, there has been some preoccupation with the sector of tourism in Albania, and there is awareness of the important role that tourism plays in job creation, in the increase of income per inhabitant and, in many regions, in the development of infra-structures, skilled labor and economic diversification.

1. Relations Between The EU and Albania

Albania is participating in the **Stabilization and Association Process** (SAP). Albania signed a Stabilization and Association Agreement (SAA) with the EU in June 2006. The SAA provides a framework of mutual commitments on a wide range of political, trade and economic issues. Trade-related parts of the SAA are being implemented through an Interim Agreement while ratification of the SAA is being completed.

The EU provides guidance to the Albanian authorities on reform priorities through the **European Partnership**. Progress on these reform priorities is encouraged and monitored through political and economic dialogue with Albania.

Albania needs to develop strategies that act as incentives for businesses to enter the formal sector. A more pro-active and innovative approach on the development of clusters and technology transfer mechanisms for SMEs is needed. Strategies on business incubators are not very advanced. Informal businesses remain widespread, which hinders fair competition and adversely affects business climate. Arbitration and appeals facilities

available to the business community are ineffective and open to corruption. Preparations in the field of industrial policy and SMEs are advancing gradually.

What is represent in the following has to do with the fact that all support given and monitoring from EU, has its own direct impact on the economy and mainly in political stability, which will have indirect impact on the other challenges that the country represent for the future: tourism and the way to manage inputs.

2. A New Golden Age Of European Tourism And Travel

It is safe to say that the Europe as a big part of world is now entering a new golden age for travel and tourism. A confluence of developments is fueling an era of explosive growth in the world travel market –which is likely to drive a sizable share of the world’s future job creation, economic growth and tax revenue. Simply put, travel and tourism, which includes leisure, business, conventions and meetings, educational and medical travel, is one of – if not the most – significant growth industries in the world today.

- Ø **First, rising disposable income means that vast new markets are joining the European tourism and travel community.** The market is growing by tens of millions of individuals each year. The number of country-to-country travelers is projected to double within 15 years, 1 and the revenue generated by this business and leisure travel is projected to double within 10 years.
- Ø **Second, the number of European tourism destinations is proliferating,** due to improvements in travel and tourism infrastructure and facilities, as well as the easing of restrictions in many parts of the world that were previously inaccessible.
- Ø **Third, new technology such as the Internet and mobile communication devices allows for enhanced access to information, greater mobility, and shared cultural experiences** on a scale never seen before. Individuals, as well as travel agents, meeting planners and other intermediaries in all corners of the planet are increasingly aware of the expanding array of travel options, and the competition for their business is growing both more intense and more sophisticated.

Countries that adapt to these new realities will reap a windfall of new jobs and economic growth. Within this fast-growing market, consumer expectations, behaviors and booking patterns are also evolving at breakneck speed. Today’s European travelers not only originate from more countries, but also more money to spend, an increasing number of worthwhile destinations to choose from, better access to information, and they expect a higher level of service and ease of movement than ever before. In short, they expect nations to *compete* for their business.

Countries that adapt to these new realities will position themselves to reap a windfall of new jobs and economic growth. Those countries that do not, will risk being left behind. In this paper, it is given a detailed analyze of the fact that how Albania as an emerge tourism

destination must use its proper potential to go further within EU integration, and secondly to develop the local communities and whole country.

3. Tourism As A Responsibility For Growing Of Albanian Local Economies

Tourism development in Albania is seen by local authorities as an opportunity to enhance local economies in a number of underdeveloped communities, sometimes specially in the north of the country. This is particularly true about communities located in areas of outstanding natural beauty where eco-tourism is considered to be a good opportunity for sustainable tourism development, and at the same time a major factor for enhancing the level of overall economic development.

The challenge for each tourism development programmer concerned to national or local output is the need to improve the socioeconomic situation. However, tourism may cause a number of negative economic, social and environmental consequences. There is increasing evidence that tourism development is usually justified by its economic benefits and is challenged by environmental, cultural and social destruction (Liu, Sheldon, and Var, 1987) Even **agro tourism** as a sustainable model for our economy , which is not usually associated with a large number of visitors, in the course of a long period of time leads to a number of changes that may affect negatively social, cultural and economic life of local community and its natural environment. These changes might not be conspicuous, especially if the number of visitors is small, or if agro-tourism activities carried out are not inducing any substantial impact.

However, these changes tend to accumulate slowly and gradually in the course of years, and finally bring about huge and irreversible changes in the environment.

4. European Integration Process Of Albania – Outputs

However, the implementation of the necessary reforms associated with EU membership has brought also losses and fears “exacerbated by issues such size, culture and nationalism” (Royo, 2004). Overall, membership in the European Union will contribute to stable economic growth, largely through increased trade ties and an inflow of funds to improve the country's infrastructure. In order to qualify for the Albania, government agreed to undertake structural reforms, resulting in exchange rate stability, falling inflation and falling interest rates. Albania will make in this way significant progress in raising its standard of living.

Within the EU reforms in the country seeks to develop measures to improve the quality of Albanian communities, although tourism policy remains the remit of individual local authorities. This is important all the more local authorities need to know the contribution which tourism makes to the economy in terms of income, generation, employment, balance of payment and investment. Moreover, authorities in local and national level, need to compare their tourism with other countries, at the same time they define their strategies to attract tourist to the country (Cardoso and Ferreira, 2000).

Table no. 1 Some European Community Measures Affecting Tourism

<ul style="list-style-type: none"> ▪ Economic policies ▪ Enterprise policy towards tourism businesses ▪ Competition issues and mergers ▪ State aid for tourism (e.g. subsidies) ▪ The internal market and tourism ▪ Fiscal policies and tourism (e.g. taxation) ▪ Employment and social policy (e.g. the minimum wage) ▪ Enhancing Europe's potential for tourism 	<ul style="list-style-type: none"> ▪ Tourism and employment ▪ Exchange and dissemination of information ▪ Training, skills and the workforce ▪ Education and vocational training ▪ Safety in tourism installations, food safety and health ▪ Natural and cultural heritage ▪ The environment and sustainable development
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Source: adapted from Page (2005)

5. Tourism, State And The Sustainability Process

To this day, there are no banks in Albania's rural areas. Villagers use cash, not deposits, and keep their money at home. Micro-credit institutions, based on individual trust and solidarity between villagers, fill an important gap in the financial fabric of the country. Together with remittances sent by workers overseas, small loans helped Albanians emerge from the deep crisis of the 1990s. Now the credits support the growth of a promising rural economy. Most of the loans still finance agricultural and livestock investments but the share of trade, tourism and crafts is increasing.

As farmers' ambitions and productivity have grown, so has the amount of money that credit associations lend to their members. The ceiling on loans will soon be raised to \$8,000, eighty times the original limit set thirteen years ago at the project's inception.

In cities, where a similar micro-credit scheme was supported by international initiatives, commercial banks are starting to offer financial services geared towards small businesses, and mainly regard to sustainable tourism. In other rural areas, micro-financing is still a god-send. Around the villages, the results are hard to miss.

5.1. Sustainability in the Southern Coast of Albania

The Government of Albania is committed to promote economic growth and job creation within the context of sustainable development. Today, the development of a credible and sustainable economic base is an **absolute priority**. The government has therefore embarked on a coherent development policy based on investment in key infrastructure

and promotion of leading economic sectors where Albania can demonstrate regional comparative advantage. 'Tourism, leisure and recreation' is one such sector and the Southern Coast is an environmental asset with the potential to develop such an industry in the frame of potential comparative advantage.

Sustainability achievements will be enhanced by the Government's commitment to improve Albania's tourism business environment as well as desire for further EU integration.

However, identifying and removing barriers to European tourism business is an ongoing process, both in developed and developing countries. Thus, additional efforts will be required to further strengthen the technical, regulatory and administrative environment for enhanced investment and exports.

Tourism (together with associated trade and complementary services) is the **leading sector in the regional economy** and the principal catalyst for economic growth. In this regard, business opportunity is not enough in itself:

- i) a transparent investment climate; together with:
- ii) Straightforward permitting procedures; and
- iii) A clear legal and regulatory environment, are also essential if Albania is to be a competitive location for mobile foreign and domestic investment.

What Albanian government should follow is to ensure sustainable development of the Southern Coast while optimising:

1. economic developments and
2. Job creation.

The Southern Coast remains substantially undeveloped. While uncontrolled development in Saranda and Ksamil and inadequately regulated or sporadic development in Himara and other locations has locally compromised the value of the landscape, the Southern Coast remains a potentially very significant economic development asset nationally; and sub-regionally, the major economic development asset of the Southern Coast.

The conservation of the unique Southern Coastal environment, specifically:

- a) natural landscapes – landforms, natural drainage and biodiversity);
- b) Cultural landscapes – traditional settlements and buildings in their settings and other heritage assets, together with customary tree-crops and other agriculture, are of paramount importance in the formulation of a preferred development strategy.

The challenge is therefore to **elaborate** and **implement** a Southern Coast small and medium businesses Plan and tourism development strategy that exploits the key assets of the natural and cultural environments, while minimising negative environmental impacts, and also use the potential of communities in order to achieve a better involvement of whole Albanian actors:

Ø SME,

- Ø Communities,
- Ø government,
- Ø Tourists, etc.

This may appear to be obvious, however, around the Mediterranean and indeed throughout the World, comparably unique and pristine environments have been degraded by poorly conceived tourism policies, ineffective development strategies, poor site planning, mediocre architecture, over-development, and attendant pollution in all its forms.

6. Provide Stronger Voice for Travel and Tourism in Government

When government officials and agencies speak for economy, political stability, or even security, which in government is charged with speaking for travel and tourism? It is clear that other countries that compete with the Albania have coordinated visa/entry/exit, air service, regulatory, tax and other policies that favor travel and tourism as well as meaningful budgets for traditional promotional campaigns to attract these visitors.

Countries that are competitive for tourism also ordinarily have ministries of tourism or other governmental entities that help coordinate policy decisions that impact this sector. The Albanian government, by contrast, in its proper structures, has no specific Ministry of Tourism or Office high enough to advocate these issues at the highest policy levels in support of this vital, growing sector.

Create an Elevated Voice for Travel and Tourism Within Government.

Since many years Albania, the travel and tourism industry has suffered from the absence of a dedicated high-ranking office in the government designed to enhance the industry's role in creating jobs and economic growth. While the other *National Office of Travel and Tourism* Industries has served a valuable role in providing research and expertise on the industry, and has served effectively in the international organizations for government policy deliberations and representation, a dedicated higher-ranking office with the power to coordinate government policy to enhance the nation's competitive standing in the global travel market is sorely needed. This office should be designed to accomplish the following:

- Ø Serve as an institutional home and voice for the industry;
- Ø Energize the interagency process regarding travel and tourism through an elevated Tourism Policy Council with ex-officio status for private sector representation. All government decisions that potentially affect this industry should receive early attention in the interagency process;
- Ø Identify existing private sector advisory committees, ensure that they include the right representatives from the industry and see that their recommendations are widely shared across agencies and with other private sector groups and the public; and

- Ø Coordinate the roles of other government agencies to more effectively expand travel and tourism promotion, product development and infrastructure needs and development. Ideally, this office would help to coordinate the implementation of many of the recommendations contained in this paper.

Enhance Coordination between National Tourism Agency, Local Government and Private Sector to enhance the integration of Albanian in EU.

I commend that a very special attention should be done to tourism. So, these include the details as at least some elements of visa policy, public diplomacy, problems of Diaspora, transportation policy. In addition, Albania's mayors and governors have not been long on the cutting edge of creative travel and tourism policy. I believe that close coordination among Cabinet Departments with the regions mayors, governors and private sector interests are all necessary if our industry is to receive the policy consideration it deserves. The successful *implementation of the Board's policy* recommendations is predicated upon the ability of the federal government to functionally process and execute them.

7. Some findings

Searching for excellence in Albanian tomorrow's tourism is not an easy thing to do. It takes appropriate measures to achieve this goal, concerning various aspects in state and society, beginning from:

- i) economic development,
- ii) creating conditions for better investment climate in the state,
- iii) conditions for attracting foreign tourists,
- iv) creating specific tourist products,
- v) new forms of tourism development in areas where it can be done,
- vi) underlining the comparative state advances and specific regions in the state, sustainable tourism development in tourism,
- vii) also appropriate law regulation – important for interested investors and also for tourists, because they will enjoy the taste of specific national tourist products,
- viii) Then satisfying level of security in the country, also in the wider region, and last, but not least,
- ix) Very intensive promotional campaigns, in different directions, to reach common goal.

As an emerge destination, Albania is newly in the Europe tourism trade, which means that needs a lot to be understand and done by the government.

An "action plan in favor of tourism" (European Commission, 1997) was created and the goals for this area were already defined in 1986. In the final of this paper there will be identified some findings as the tourism should have the proper impact on Albanian economy as an emerging destination and as a condition to be further integrated in European cooperation:

- Ø facilitating tourism in the Albanian Communities;
- Ø Improving the geographical and seasonal distribution of tourism;
- Ø better use of financial aid;
- Ø Better information and protection for tourists;
- Ø improvement of working conditions;
- Ø improved knowledge of the tourism sector;
- Ø Increased co-operation among member countries.

In fact, one of the other findings of this paper is that should invest on cost savings to Albanian firms and in the medium term the creation of additional jobs as real economic growth.

These findings are based on the premises that much of the improved economic performance will come about through the removal of barriers, which directly restrict intra-community trade. I argued also that firms would make significant cost savings through the exploitation of the increased economies of scale. This improvement, resulting from the effects of the creation of an internal market, would affect at a macro-economic level the development of the tourism industry in Albania. This is due to a number of factors, for example:

- Ø Albania's income is relatively small that comparable incomes in other regions of the world, and
- Ø the geography of Albania means that distances between countries are relatively small. Albanians are highly mobile with a higher than average level of car ownership, whilst transport infrastructures are of good quality.

At the same time, several direct measures affecting tourism have been developed. The measures which affect the tourist as a person living and traveling within a geographical space without physical, technical or fiscal barriers are the best example. The European tourist is now protected by specific consumer legislation on health and safety, on economic and legal aspects. Van Kraay (1993), in his book *Tourism and the Catering Industries in the EC*, analyses some of these measures, such as: removal of obstacles to the movement of citizens, abolition of checks, simplification of formalities, European driving license and insurance, European passport and card.

In addition, other Albanian Community measures affecting tourism can be referred to with the attempt to assess their impact on tourism. These include all measures linked to the economic and social environment, which aim to provide common structures for economic and social activities, such as tourism, to develop within the Union.

Regarding the internal factors I distinguish measures such as:

- Ø economic and social cohesion,
- Ø regional and social policies,
- Ø trans- European networks, transport,
- Ø research and development,
- Ø competition and enterprise policy,
- Ø information and telecommunication technologies,
- Ø employment and the field of education, and finally,
- Ø Training and youth. Measures in the field of culture and environment could also be considered. In respect to external factors specific measures and actions aiming to promote cross-border co-operation were adopted.

From all above some interesting and useful conclusions and recommendations can be given. Contents of these conclusions will lead to wider country development and for sure to reaching faster EU integration and better life quality:

1. **Law regulation** for tourism activity and local self-government in the country is not very adequate and compatible for this field and related to European experiences and European standards. That means that de jure, regulation is not very close to high global standards, but maybe, the main problem for Albanian practice is implementation of these provisions in life, i.e. in practice, and attracting more tourists- foreign and domestic. But wider situation on the Balkans must be changed, and with that, all these pledges will come true.

2. Facing **new trend of proper decentralization** in Albania, giving wider competencies to local units – municipalities in different things, there's an intention for localizing specific needs of citizens, also solving local problems, because only local citizens recognize their local problems the best. New trends in local self-government give some competencies in tourism area to local authorities, which means possibility for better local and then national development.

3. Tourism and local development are related in a quiet big point. **Bigger competencies of local units** in tourism area will contribute to better and bigger tourist effect and for bigger and faster local development also. Because of that, this trend must be supported from all relevant structures in the state and to use its numerous advantages.

4. Taking into account European perspective of the country, it can be said that the **process of Albania in European total membership, is a huge responsibility** for state, institutions and citizens to fulfill precise European conditions. Economic growth takes the first place. Possibility of tourism development, in different ways, is one of the best solutions in that direction. Relating tourism to local self-government is reasonable and useful trend. European experiences and assistance can help a lot in this direction.

8. What Are The Implications For Albanian Tourism Being Part Of EU Structures?

This in fact makes Albania as a unique destination accountable for the overall management EU process (leading, planning, organizing and control) of the area and for undertaking actions towards achieving its objectives.

The process of integration of Albanian tourism in the EU structures or even the challenges that represent this strategy is not only a necessary condition for our national and long term objectives but a efficient tools to achieve some goals in the viewpoint of EU vision as:

- Ø Contributing to the longer-term European prosperity and development of the local communities (jobs, income, etc.). taking in mind the EU vision will help or be a big support for local communities;
- Ø Ensuring satisfactory visitor experiences (ideally the expectations of visitors will be exceeded)•Improving the profitability of the business sector (which is often the lifeblood of any destination's tourism industry)
- Ø Optimizing the economic, social and environmental impacts by ensuring a responsible and sustainable balance between economic, socio-cultural and environmental interests

9. Some Key Conclusions

With the main AIM of being involved in European structures, I conclude the following conclusions:

- Ø In Albania, the process of tourism development, management and marketing or even the promotion should be managed within an **integrated structure**;
- Ø It follows from this that tourism authorities (in national and local level within the country) must pay equal attention in the future to:
 - the destinations **brand** and the **values** that it conveys to customers,
 - the nature and quality of the destination.
- Ø How should tourism be delivered? I propose key principles related to the need for:
 - Flexible structures** –project teams; new methods of marketing since the process of even the concept of marketing is firstly, very necessary for a better involvement in EU integration, and secondly, Albania is still suffering an efficient marketing methodology;
 - Using the best tools** –fundamental role of e-business and destination management planning;

- Partnerships** of public and private sector, working to a common agenda based on EU agenda;
- Evaluation** of the impact of tourism in Albanian in the EU integration, and measurement of this impact;
- Benchmarking performance**, over time, and against competitors in the Balkan regions. I have to say that IT offers the opportunity to do this more effectively.

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