



## Beyond the Arab Spring: Evaluating Libya's long-term tourism prospects



George Lafferty\*, Jamal Youssef

School of Business, University of Western Sydney, Australia

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### ABSTRACT

Before the 'Arab Spring' that spread to Libya in early 2011, international tourism to the country had been increasing gradually for two decades. However, in the wake of the civil war, international tourism arrivals plummeted. Following the demise of the Gaddafi regime, the interim government reasserted Libya's commitment to international tourism growth and openness to the global economy, only to see the country once more descend into unrest and division. This paper assesses the long-term prospects for Libya's international tourism recovery, within a current context of increasing political instability and violence. The paper argues that a major factor inhibiting tourism growth has been the relatively poor quality of service in Libyan 4- and 5-star hotels. It goes on to explore possible strategies to improve the quality of service, concluding with an assessment of Libya's long-term potential to achieve 'international' standards of service quality and the wider implications that may be drawn from the paper's findings.

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### 1. Introduction: Libya's tourism potential

Libya possesses a range of natural and cultural attractions whose tourism potential remains largely untapped. These attractions include unique landscapes from the Mediterranean Coast to the Sahara Desert, ancient buildings and artefacts, as well as highly distinctive flora and fauna. The most important attractions include thirteen major archaeological sites, of which five are included on the UNESCO World Heritage list (UNESCO, 2010): Tadrart Acacus, the old town of Ghadamès, Cyrene, Leptis Magna and Sabratha. The earliest of the five heritage-listed destinations is the Neolithic rock art site of Tadrart Acacus in the south-west of the country, with thousands of cave paintings illustrating the changes in Saharan flora and fauna from 12 BCE to 100 CE. Ghadamès (the 'pearl of the desert') stands in an oasis on Libya's western border; it is described by UNESCO (2010) as an outstanding example of a traditional settlement. The former Greek colony of Cyrene was one of the principal cities of the Hellenic world, later colonised by the Romans and remaining an important centre until an earthquake in 365 CE. Leptis Magna, founded by the Phoenicians around 1000 BCE, became a Roman city in 23 BCE and was to become one of the most beautiful cities of the Roman Empire. Sabratha, formerly a Phoenician trading post and port serving the Numidian Kingdom of Massinissa (also known as Masinissa or Massena), was rebuilt by the Romans during the second and third centuries.

Before the Arab Spring, the Libyan economy had been quite buoyant for several years, at least in raw economic terms: between 2004 and 2010, average GDP growth was approximately 5%, annual consumer

price inflation averaged less than 4%, and foreign assets increased from \$20 billion to \$170 billion. Yet, in common with several other Arab nations, Libya has been heavily dependent on oil revenue: over recent decades, hydrocarbons have accounted for more than 70% of GDP, approximately 95% of exports and around 90% of government revenue (IMF, 2012, p. 2). While oil production, in conjunction with a relatively small population (approximately 6.2 million) has given Libya the highest per capita GDP in Africa, the country's reliance on oil for public finances has intensified in recent years (IMF, 2012, pp. 9–10), prompting government efforts to attain greater economic diversification. Further, this continuing oil dependency has significant long-term labour market consequences. Oil, as a highly capital-intensive industry, has contributed to a perpetuation of 'jobless growth', a common problem in the contemporary global economy (see, for example, Onaran, 2008; Wolnicki, Kwiatkowski, & Piasecki, 2006). Since Libya has had an overall unemployment rate consistently over 25%, with youth unemployment hovering between 30 and 35% (IMF, 2012, pp. 16–17), a labour-intensive industry such as tourism and hospitality has evident appeal in offering a potential source of increasing employment.

Before the Arab Spring, the World Travel and Tourism Council predicted steady growth in Libyan tourism in terms of its respective contributions to both GDP and employment (see Table 1).

International tourism had been gaining greater policy and economic prominence in Libya for several years before the Arab Spring. In 2003, the government established the Tourism Development Bank, 80% financed by the private sector. By 2005, over US\$3 billion had been attracted for new tourism developments scheduled to provide more than 13,000 new hotel beds (European Commission, 2009). Libya's Tourism Master Plan (LTMP), released originally in 1998 and then in revised form in 2006 (Government of Libya, 1998, 2006), generated

\* Corresponding author. Tel.: +61 2 9685 9227; fax: +61 2 9685 9593.  
E-mail address: [g.lafferty@uws.edu.au](mailto:g.lafferty@uws.edu.au) (G. Lafferty).

**Table 1**  
Predicted contributions of tourism to the Libyan economy, 2009–2019.

Indicator	Unit	2009	2019
Tourism contribution to GDP	% of GDP	8.6	10.12
	US dollars (millions)	7703.8	21,607.2
Direct & indirect employment	Jobs	159,000	232,000
	% of total employment	8.8	10.4

Source: World Travel and Tourism Council (WTTTC) (2009).

considerable momentum for further tourism development. Research on Libyan tourism has been scant; however, a notable exception was the work conducted for the Plan, which was jointly funded by the United Nations World Tourism Organisation (UNWTO) and the Libyan government. Intended to enhance the country's standing as an international destination, with the goal of achieving one million tourists per year by 2015, the plan established an action programme for future tourism expansion, while a series of new laws and regulations was introduced to regulate tourism development and foreign investment.

The revised plan (2006) identified tourism as a key sector for future economic development and diversification, focusing on the role of the public sector in short- and long-term planning, marketing, infrastructure development and human resource improvement. Rather than pursue an influx of mass tourism the overall government strategy was to encourage high value-added cultural and adventure tourism, combined with some beach resorts along the coastline (European Commission, 2009), with service quality in 4- and 5-star hotels, the main focus of this paper, consequently playing a crucial role. The Libyan General Board of Tourism (LGBT) had already acknowledged problems with service quality through a downward reclassification of the star rankings of several high-end hotels (SSF, 2006; see also Abuzed, 2002), thereby placing pressure on them to improve their performance. According to some critics (for example, Naama, Tang, & Jones, 2008), though, the Plan neglected employees' perceptions of the conditions, policies and practices that affect their working environments, service quality and performance. Hence, a major concern of this paper is to evaluate both employees' and guests' views on these issues.

Within the region, Libya's tourism presence remains very minor, although it has considerable scope for expansion. It has long lagged well behind the main Middle Eastern destinations, with only 271,000 visitors in 2010, in contrast to Egypt's 14.9 million visitors, Morocco's 9.6 million and Tunisia's 7.6 million (UNWTO, 2011). In 2009, the World Travel and Tourism Council estimated that the total demand for Middle East travel and tourism would generate US\$279.4 billion by 2016, contributing 3.1% to overall GDP and providing 2,485,000 jobs (WTTTC, 2009; see also Lanquar, 2011). Between 2003 and 2010, there was significant growth in international tourist arrivals, despite obstacles such as international sanctions on flights to and from Libya. Libya's international tourism market consisted overwhelmingly of visitors from Western

**Table 2**  
International arrivals in Libya: main countries of origin, 2004–2007.

Country	2004	2005	2006	2007
Italy	12,854	19,017	31,341	30,966
France	6158	19,299	27,636	18,946
Germany	3021	11,654	17,927	17,038
UK	1367	7209	16,274	13,533
Spain	850	2126	4279	5469
Austria	1133	2334	4151	3285
Belgium	*	*	*	2382
Switzerland	1025	1931	3195	2402
Netherlands	*	*	*	1718
Poland	*	*	*	1640
Japan	944	2187	3014	1434
USA	778	2846	1677	*

Source: GBTTI (2008) (\* denotes data unavailable).

Europe (see Table 2), drawn especially to the country's remarkably well-preserved ancient historical sites.

Before the outbreak of civil war, therefore, international tourist arrivals to Libya had been growing steadily for two decades, from 96,000 in 1990 to 271,000 in 2010. In 2009, the World Travel and Tourism Council projected that by 2019 tourism's contribution to Libyan GDP would increase from 8.6% to 10.1%, while direct and indirect tourism employment would increase from 159,000 to 232,000 (WTTTC, 2009). Of course, subsequent events have undermined these confident predictions of future tourism growth.

## 2. The Arab Spring: its impact and aftermath

The Arab Spring of protests and political upheaval flared into life across much of the Middle East in late 2010, having begun in Tunisia. The Libyan civil war started on February 15, 2011 in Benghazi, the country's second largest city after Tripoli, as protesters took to the streets, setting fire to police stations and besieging army barracks and the city's airport. Regime loyalists were forced out of eastern towns including Bayda and the port town of Tobruk, as the protests escalated into a popular uprising. On 14 March, the United Nations Security Council issued Resolution 1973, which sought to protect the population of Benghazi from massacre after Colonel Gaddafi declared his intention to chase down dissenters house to house. Bolstered by growing international support, the Libyan rebels entered Tripoli in September 2011 after nine months of conflict, forcing the regime's end.

The civil war had a profound impact on living standards, the provision of basic services and employment; economic activity contracted sharply in 2011, primarily due to international sanctions and supply constraints during the crisis. Libyan tourism was hit with particular severity (UNWTO, 2011). During the civil war, occupancy rates fell: for example, in high-end Tripoli hotels from the pre-war figures of 80–90% to 45% (*Hospitality News ME*, August–September 2012). According to managers interviewed for this paper, even this dramatically lower level of occupancy was maintained only through the presence of high numbers of journalists, staff from the United Nations and various aid agencies. Nonetheless, while cruise ships and many airlines stopped travelling to Tripoli and Benghazi during the civil war, a more open political environment and a governmental commitment to democracy and stability emerged. Libya's National Transitional Council released a vision of more Western-style business relations and democratic government (NTC, 2011), indicating a potential step forward towards Libya's greater integration in the global economy. Libyan GDP rebounded in 2012, underpinned by an unexpectedly rapid recovery of oil production and distribution, to decline again with the resurfacing of widespread political unrest and violence. The sanguine hopes of the immediate post-Gaddafi period have subsequently disintegrated into widespread, often violent political conflict and social fragmentation (Pack, Mezran, & Eljarh, 2014). Therefore, excessive optimism on the immediate future of Libyan tourism would be unjustified: any resurgence of international tourism will be dependent on the establishment of political stability. Yet it will also require substantial improvements to the quality of service in 4- and 5-star hotels, the primary focus of this paper.

Libyan 4- and 5-star hotels constitute a case study that affords the possibility of exploring, describing and analysing a contemporary phenomenon within a distinctive 'real-life' context (see Schell, 1992; Stake, 1995; Yin, 1984). The discussion of the case draws on both qualitative and quantitative data – documentary analysis, a questionnaire survey and interviews – in order to apply these three main elements of case study research. First, it is exploratory: it examines an area on which there has been very little previous research, within a rapidly changing recent context. Second, it is descriptive: it provides an empirical account of employment and service quality in Libyan 4- and 5-star hotels. Third, it is explanatory: it illustrates how the quality of service within 4- and 5-star hotels might be improved, in order to strengthen Libya's long-term tourism prospects. The case also highlights the

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