TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA

Tourism product as a factor of competitiveness of the Serbian economy and experiences of other countries

THETAMIC PROCEEDINGS II

UNIVERSITY OF KRAGUJEVAC

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THE IMPACT OF GLOBALIZATION ON TRENDS IN TOURISM

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Abstract

Globalization refers to the process of opening up and liberalizing national markets that then become an integral part of a global market. Globalization exerts enormous influence on the economy of every country in the world. A close attention has been directed to the effects of globalization on economic and political spheres so far. The aim of this paper was to analyze both positive and negative effects of globalization on tourism industry. Furthermore, a special emphasis was placed on the impact of globalization which creates opportunities for tourism development. This paper employed meta-analytic research method in order to examine the phenomenon of globalization in tourism and drew upon primary sources and the available statistical data. Therefore, the author reached a conclusion that while globalization does exert impact on tourism, it is insufficiently employed to develop tourism. There is not much research into this field in Serbia. It is of paramount importance to make every effort to research the topics in connection with the impact of globalization on tourism.

Key words: globalization, tourism, globalization trends, tourism trends, changes
JEL: F01, F6, Z3

Introduction

Globalization is an unstoppable process which is affected by a wide variety of factors. Some factors are easily recognizable, while some are hidden and still have a significant influence on social events. On the other hand, globalization exerts impact on many events in the world, transferring that impact on each and every country. The difficulty of defining these kinds of terms, such as globalization, leads to underestimating the vital role globalization has on social trends. That role

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is reflected in the rise of unique work and cultural environments that some managers might find new and unknown. Globalization impels the world to become borderless which gives rise to new characteristic phenomena in international relations.

The world is becoming borderless and that is resulting in the disappearance of national identity which is the last tool for safeguarding national integrity. Lastly, the tremendous impact of globalization on families is a consequence of creating new “globalist soldiers” which find a career to be more important than personal life.

Tourism is one of the most promising industries. The results this industry has produced are worthy of respect. This has proven to be one of the primary reasons for taking a closer look at things that affect tourism development.

Globalization impacts every industry to an extent. This paper delved deeper into the following issue: How globalism influences an important industry – tourism? The aim, derived from the aforementioned issue, was to explain the connections between globalization and tourism which have brought about numerous changes on tourism market. The goal was to analyze, based on the primary sources, the ways in which globalization impacted the development and changes in tourism and whether those changes were beneficial or detrimental.

Globalization is ubiquitous in research papers around the world. Primarily, attention is devoted to economic issues. Many authors still look into the issue of globalization even though the pressure on it is significantly lower. The relation between globalization and tourism has not been thoroughly researched when compared to other fields, but there is a vast number of works mentioned in this paper. One thing is for sure – there will be much research into this topic because of the importance of tourism. Unfortunately, there is a small number of studies in Serbia. Serbian researchers have been interested in globalization as a universal phenomenon (Milenković, 2016).

The first part of this paper deals with globalization and issues faced by every researcher who opts to research this complicated and complex term which, as a continuous process, is difficult to define. The second part of this paper deals with tourism as a vital industry for every economy in the world and its growing importance. Many countries generate high incomes
and receive benefits from tourism today. The third part deals with the relation between globalization and industry. Lastly, the pivotal role of managers in this process is not overlooked. Managers who readily adapt to different cultures of some countries and regions are increasingly needed.

Methodology

This paper employed meta-analytic research method which entailed the research into the phenomenon of globalization in tourism with the help of secondary data, primary sources and available statistical data. On one hand, the researchers in this field have noticed that there is insufficient number of papers dealing with globalization and tourism (Johnson & Vanetti, 2005). On the other hand, there is a huge body of literature on the general topic of globalization. The reason behind this is the fact that tourism is a unique industry. It is not greatly affected by positive and negative effects of globalization when likened to other industries (Hjalager, 2007).

The main issue in this paper was: to what extent does globalization influence the trends in tourism? The goal of this research was pragmatic. The author wrote the paper with the aim of describing both positive and negative characteristics of globalization in tourism. The descriptive analysis, by depicting events and trends, helped in shedding light on this issue and in predicting the further development of tourism.

Globalism

A considerable confusion and ambiguity surrounds the term globalization. A vast number of opponents have stated that it is a term which has not been precisely defined and that its use is, even in scientific parlance, highly optional. The skeptics have stressed that this term gives rise to discussion and that globalization plays a crucial role in understanding social changes in the modern world (Milanović, 2016).

The term globalization (globalize) can be traced back to 1940, along with the term globalism (Pieterse, 2012). It first appeared in an English dictionary in 1961 (Merriam-Webster, 2017). However, globalism would become influential twenty years later, around 1980, as an instrument used for making sense of complex social phenomena. Sociology along with Robertson (1983) was the first science to interpret the present through
globalism. Also, Lewitt, in economics, wrote about globalization of markets (Lewitt, 1983). After that, the concept of globalization spread across other fields concerned with society. Economists were the first to perceive the events in economy as a direct consequence of globalism. Although a myriad of scholars have been dealing with globalization since 2000, it seems that this term is, because of its complexity, difficult to define (Kovačević & Pavlović, 2016).

The scholars have not still reached an agreement whether globalism is a positive or negative occurrence. This is the reason why many analyses start from the assumption that globalization has both positive and negative sides. History is written by the strongest, thus globalization is defended by governments of the richest countries, while the poor countries stress its negative consequences (Reinert, 2004).

Scholte (2000) provides a definition of globalization developed with the help of five different definitions which taken together adequately explain globalization. As Scholte states, if we perceive these definitions separately then that will not be enough to explain the phenomenon of globalism. According to him, the definition of globalism is an amalgamation of all five definitions and means more than the sum of its parts.

1. Firstly, globalization as internalization refers to cross-border relations, trade and trade relations, flow of goods and capital, and interdependence of people in different countries.
2. Globalization as liberalization refers to the process of removing trade barriers, capital controls and flow of goods and movement of people between different countries. The world economy has started to resemble a “free trade”.
3. Globalization as universalization refers to the process of establishing standards in many fields. Universalization has been accepted in the fields of engineering, computer science and television.
4. Globalization as westernization or modernization is perhaps the most criticized part of this definition insofar as many authors have not agreed whether this model truly exists. Westernization or Americanization, as it is popularly called, is clearly present in the field of education. The Bologna process is nothing short of one of the process of Americanization of universities (Lissemann, 2009).
5. Globalization as deterritorialization along with the process of supraterritoriality transforms social geography, so that borders and remote places are eliminated.

One of the most important characteristics of globalization is its impact on the events occurring at a local level. Saeed (2004) has stated that what happens globally directly governs the events at a local level through following dimensions:

1. The world economy is strengthened. Globalization is a process in which economies of certain countries are assimilated and interdependent.
2. Socio-cultural dimension refers to the homogenization of lifestyles. The way people live, watch television programmes, connect on the social networks, travel and develop tourism are identical in different countries and cultures and they are slowly becoming global.
3. Technological dimension, under the influence of globalization, refers to the process of smooth implementation of innovations, fast flow of information and communication. Knowledge has become the most significant factor, far more significant than capital and labor. The developed countries are now knowledge-based (Andrews & Criscuolo, 2013).
4. International relations. The policy of every country should adapt to the pressures created by globalization. It is no longer a matter of choice, but of survival. The World Bank, the European Union, The World Trade Organization, the World Health Organization, the World Tourism Organization all exert impact on the policies of a country.
5. Ecological dimension has occupied a prominent place because of environmental protection, ecosystem regulation and global warming in the last couple of decades. The issues in ecology are turning into global which impels every country to take steps to resolve them.

Not only does globalization have positive but it also has negative effects and influences on countries. Every country has unique characteristics, which means that globalization can be at the same time beneficial to one country and detrimental to another (Hjalager, 2007).

As Saeed (2004) emphasizes the advantages of globalization are reflected in the connection of production processes and communications technology. One might say that communications technology has created the conditions necessary to stimulate global processes. The Internet has enabled access to information and resources across the world. The
exchange of ideas and promotion of good internships are one of the positive sides of globalization. The aforementioned technical and technological achievements are now at everyone’s disposal or people are at least aware of them. Economies of countries are based on knowledge in globalization, with a view to help organization learn. Daily training courses and investments which help managers advance indicate that organizations are keen on participating competitively on the market. Knowledge has increased productivity and efficiency. Higher productivity levels result in an increase in income and profit of the organization. Globalization has created new workplaces in every field: industry, service sectors and agriculture. The consequence of globalization is the centralization of knowledge and spread of global brands. Apart from this, the global development of tourism has led people to understand geography properly. Also, globalization has enabled individuals to better understand cultures of other nations. To put it simply, to understand the whole world.

Aside from positive impacts of globalization, it appears that negative impacts are greater in number. The critics of globalization start from the assumption that national governments have fallen from power while multinational companies have risen to power (Pećujlić, 2002). Globalization leads to the increase in polarization which is in favor of stronger economies (Reiner, 2006; Milanović, 2016). The poor are becoming poorer and dependent on the actions of stronger economies, such as the USA or Germany (Milanović, 2016). They express reasonable doubt in the good intentions of the richest and most powerful economies. The distribution of knowledge is not even. The poor countries cannot acquire knowledge without previously paying exorbitant sums of money for licenses and finished goods (Reinert, 2006). This particularly occurs in the field of science insofar as research is expensive and poor countries cannot actively participate in it.

Globalization exerts negative impact even when multinational companies use cheap labor force and resources in poor countries. These give rise to economic inequality, unemployment and generally terrible working conditions in those countries. The development of infrastructure of multinational companies is not aimed at public needs but those of multinational companies (Reisinger, 2009). Globalization decreases direct interaction among people. Many services are not in the vicinity of some people, they are offered in distant centers, even on another continent. This also happens with shops, boutiques and craft-workshops. There is a rise in
shopping malls which sell goods of leading brands and small-scale manufacturers have small chances to get on the market and compete with them. It seems that migration is increasing. People are moving from rural to urban areas, from one country to another, from one region to another, from one continent to another. Skilled and astute individuals are moving from their home countries, especially from poor ones, but this is also affecting rich countries (for instance, German doctors migrate to the USA). Managers have to possess a crucial skill which helps them persuade people to stay, and that is more important than hiring new employees (Drucker, 2004).

The dire need to resemble Western culture is something else. There is a widespread belief that accepting westernization would raise someone’s social status and self-respect. This leads to standardization of tourism products and the disappearance of recognizable cultural trademarks.

Environmental degradation is also mentioned as one of the negative effects of globalization. The exploitation of natural resources radically changes their quality. Nature has become marketable. Spas have shopping malls, residential and other buildings. All of this has affected environment to change so that residents now opt out of participating in the decision-making process concerning their destinies. There is a risk of transmitting new diseases, viruses and substances which harm both nature and people.

Serbia in the Globalization Process

Serbia is the intersection of the roads from Eastern to Western Europe and vice versa. The consequence of such geostrategic position is a unique globalization which is characterized by development of integration processes and enhancement of political, economical and cultural cooperation.

Serbia entered the globalization process as an underdeveloped country with remnants of socialist system. It was a week starting position in globalization process for Serbia. As it has been mentioned, the complexity of globalization has brought about difficulty in determining all positive and negative effects of globalization on Serbia. Serbia could not avert its economy from becoming a part of a global system. It is usually emphasized that positive effects of globalization are stronger insofar as Serbia has become a part of the world, where competition is fierce and the levels of import and export are higher. The emphasis is
specially placed on the fact that Serbia has adopted new information technology and that now several multinational companies operate there, for instance Yura and Fiat. Fiat is the leading exporter from Serbia with €1,18 billion (www.mfing.gov.rs).

There are many proponents of the negative sides of globalization in Serbia. Drobnjak, analyzing globalization, states that neocolonial globalization exists and that it is based on the internalization of force, political and economic coercion and exploitation of the weaker, the increase in poverty and growth of wealth in rich countries. Aside from neocolonial, he mentions ideological globalization which involves a world without borders, faith, tradition, culture and individual human values (Drobnjak, 2011). Mićunović et al. (2015) also speak about negative impacts of globalization stating that its basic purpose is to generate profit. Small and underdeveloped countries, such as Serbia, have to make dramatic and radical changes through global strategic planning which is the only thing that is beneficial to transitional industry.

According to Hrustić, globalization will compel all countries to adhere to market principles. The competition will be determined by knowledge and technological progress in the future economic development. It is necessary for the countries caught in the globalization process to adapt to changes in the world (Hrustić, 2010).

Tourism – an Important Industry

Tourism refers to the process of travelling and recreation, and it also refers to services that will achieve that goal (Unković, 1988). UNWTO states that a tourist is a person who travels at least 80 kilometers away from his/her residence. The term tourism is derived from an English word tour which means the pleasure of travelling and staying in different places. Tourism is a part of service industry which involves a huge number of systems: transport, hospitality industry, hotel management and many other services.

According to Friedman (1995), tourism is one of the biggest industries in the world. Tourism includes increased flows of goods and services and movement of people in the world. Tourism is one of the fastest growing industries in the world. According to the data of the World Tourism Organization (UNWTO), tourism is listed among the five biggest export industries in over 85% countries in the world (www.unwto.org). The most
important countries for tourism are usually located in the North America and in the European Union.

The data about a major expansion of tourism can be found on the website of UNWTO (www.unwto.org). UNWTO provides an answer to the question of why tourism:
- International tourist arrivals grew by 4.6% in 2015 which is the biggest growth in industry.
- International tourism generates over US$ 1.5 billion in export earnings.
- UNWTO forecasts a growth in international tourist arrivals of over 4%.
- By 2030, UNWTO forecasts international tourist arrivals to reach $1.8 billion.

The Relation between Globalism and Tourism

In the previous section we have discussed the important impact of globalism on tourism industry. Globalization has created new possibilities for the development of tourism through the advancements in technology, communications and transport (Perić, 2005).

New information systems have been introduced and owning to them now one can book or order a tourism product at a remarkable speed. Information technology has led to the improvement of efficiency in tourism which has simultaneously improved the quality of services. It has given rise to offers such as those on the websites Trip Advisor, Booking, etc. Now one can order and book any kind of service online without having to visit some agency.

Digital marketing has replaced booklets and people can now find travel offers with ease. The fact that we are now surrounded with offers has resulted in the decrease in their prices. Also, the quality has been increased in this industry. Apart from this, the guests in hotels have Internet access; they can travel from one destination to another and gain information that they find interesting. Now, tourists are satisfied, tourism service is improved, offers are cheaper and one is not in dire need of mediators. Tourists can now create their own destinations.

Also, the Internet has become a part of transport industry. This industry has also gone through dramatic changes. Air transport is cheaper so that
destinations, which only a few could afford in the past, have now become available to a vast number of people.

**The Types of Globalization in Tourism**

According to Pavlić (2004), there are many types of globalization in tourism. Globalization in air transport is of paramount importance inasmuch as it has brought about faster and cheaper transport. Liberalization of air traffic has created market for private transport, international airline associations, foreign investments in national airlines, joint venture between airlines, and other things which have drastically decreased the price of airline tickets. The introduction of charter flights and the ability to book service via the internet has contributed to the great expansion of tourism. There are hundreds of websites which offer favorable conditions for transport. The customer only has to, from the comfort of his/her own home, opt for what he/she likes. This kind of advancement of air traffic has removed obstacles such as not being able to travel to some destination due to the exorbitant prices of transport.

When it comes to hotels, there are hotel corporations (hotel chains), joint investments, franchising, and consortium of independent hotels. The examples would be International Hotels (the UK), Accor (France), Cendat, Marriot (the USA), etc. Marriot has over 1.2 million rooms, 5700 real estates, and operates in 110 countries (www.marriott.com).

The retail sector has partnerships, integration and concessions. Tour operators and travel agencies collaborate with hotels, airlines, trade distributors and cruise companies. The main tour operators today are NTA, ABA (the USA), ABTA (UK), and TUE (Germany). Tour operators exert a major impact on local operators to change their ways of doing business so as to match those of global companies.

**The New Type of Tourists**

Globalization and technological development have created a new type of tourists. Globalization has taken an interest in consumers’ attitudes and tastes, because they demand good offers and lower prices now. This has called into question the quality of offer, but now a myriad of people can afford to travel across the world. The new type of tourist is aware of and informed about other cultures. Information technology has lowered the differences among cultures and
has taught people how others live in different environments. People now ask for better and diverse offers, higher quality, cheaper transport, numerous dates. Due to the growing number of terrorist attacks, tourists now seek safety on their trips.

The today’s consumers question their attitudes towards the leisure time, they seek to balance their careers and personal lives, and they question work and free time. Last-minute offers have been created; tourists seek new experiences and they are developing an ecological conscience. Tourists are now asking for authentic and original experiences (the so-called experimental tourism).

Travel agencies have to take into account what tourists want. They now offer a vast number of cultural events which fulfill needs for new identities, self-actualization and personal development. There is a decrease in the traditional offers which involve recreation and rest. People devote their attention to the needs of their families and environmental protection. Also, the customers are now seeking to devise their own vacations.

**The New Type of Tourism is under the Influence of Globalism**

The research indicates that mass tourism (or also called traditional tourism) is still ubiquitous. However, traditional tourism is transforming into a new type, called responsible, green or sustainable tourism. New types of tourism are: cultural, health, wellness and spa, nature-based, educational, wildlife, geo, genealogic, gastronomic (food and wine), photographic, experiential, space, ethical or moral, and community tourism. Even peculiar types of tourism have been created. Those are: atomic tourism (visiting the ruins of nuclear plants), dark tourism (visiting the places where accidents have happened), and visits to places which have inspired famous writers and musicians. It is obvious that a wide of variety of offers can become a tourism product. Innovation, imagination and a good marketing are needed to promote something that tourists will find interesting and new.

New types of tourism compel travel agencies to adapt to them and work on their marketing.
- Tourists in community tourism look for social events which will bring about the feeling of togetherness. They want to satisfy their social needs with this kind of tourism.
- In cultural tourism culture takes first place. They seek travel offers which include the following: art, music, film, museum, galleries, and concerts.
- Ecotourism emphasizes the importance of saving, protecting and preserving natural resources. Tourists are in need of organic products, ecotourism, natural tourism and unspoiled nature, wildlife tourism.
- Educational tourism finds that education is the best investment. Tourists demand products which encourage learning: books, educational tourism, wildlife tourism, food and wine tourism.
- In order to stress the importance of family values, travel agencies have created tourism which requires families to participate and it involves: games, hunting and fishing, family vacation, community tourism.
- Similar to family values, people also find friendship to be paramount. Travel agencies have to prepare offers which enable people to spend time with their friends: games, food and wine, visiting friends, community tourism.
- Travel agencies also plan social events, ethical and moral tourism, community tourism in order to achieve social harmony.
- The concern for others is becoming paramount to the contemporary man. The travel agencies develop offers for elderly, disabled people, unemployed, special needs tourism, and non-profit tourism.
- The feelings of love are related to ethical and moral tourism, visiting places where one can listen to music and recite poetry, go on a romantic cruise.
- Safety has already been mentioned as one of the most important parts of travel offers. Today, tourists are interested in places where they can be safe, where they would feel at ease and comfortable.
- In order to satisfy the spiritual needs, travel agencies have prepared pilgrimages, health and wellness, spa, religious tourism, and trips to sacred sites.

Serbia has a possibility to succeed in the aforementioned new types of tourism. Serbia has beautiful spas and unspoiled nature which, once turned into a tourism product, can attract a huge number of tourists.

Rural tourism also has its advantages. The overview of new types of tourism (community, love, friendly, family, educational, etc) indicates that there is room for the development of rural tourism (Pavlović, 2016).
Positive and Negative Aspects of Globalism and Tourism

Globalization has brought enormous benefits to tourism, more than in any other industry. Globalization has caused an increase in trade, flow of capital and movement of people, and it has created new workplaces. The infrastructure in popular destinations has improved and this is why roads, pipelines, airports have been built. Some underdeveloped countries have generated large incomes and have improved living standards.

People who engage in travelling are responsible for reconciling differences between cultures and shedding light on environmental and ecosystem protection.

However, globalization also exerts negative influence. It brings about colonial control. Multinational companies are more concerned with generating profit than with protecting nature and ecosystems. The development of infrastructure reduces cultural and national values. Forests and natural habitats are being destroyed in order to construct a hotel. The influx of tourists harms ecosystems of the most popular tourist attractions.

Saee (2004) notices that globalization wants to standardize and homogenize travel offers. It destroys local, regional and national character. It tends to offer impersonal service, superficial communication and poor content.

The future compels people to retain local characters and national cultures. If these values disappear then it will bring about the disappearance of tourism products. Namely, tourists will not be interested in visiting a country that is like the others.

Serbia takes into account these consequences of globalization when developing its tourism. Foreign companies which want to operate in Serbia have to be the ones adapting to its environment, not the other way around. A good globalization calls for respect and demands from tourists to understand cultures and needs of people in different environments. It is essential to stress that interculturalism in communication, showing respect for legal, ethical and moral norms which traditionally exist in one country are of paramount importance (Brdar et al., 2015). Companies which operate in Serbia, such as McDonald’s or Yura, have already been working on this. They have emphasized the importance of treating
Serbian cultural values with respect and they have increased social responsibility.

**Globalism is a Challenge for Managers**

Organizations which operate only in one country are not faced with problems of economic, legal and cultural differences (Dessler, 2015). However, organizations involved in tourism cannot afford to engage in homogenous business. A manager who does business and works with organizations outside of his home country or is a representative of his organization in another country has to possess knowledge and adapt his policies and practices to those of the countries he is conducting business with (Earley & Peterson, 2004).

Countries differ in cultures. This would mean that they also differ in values, but also in organizational culture. Hofstede’s research (2001) has indicated that societies differ according to:

- **Power Distance** which expresses the degree to which a society accepts that power is distributed unequally.
- **Uncertainty Avoidance** expresses the degree to which members of a society feel uncomfortable with uncertainty and ambiguity.
- **Individualism versus Ambiguity** indicates who accepts responsibility for his/her own destiny.
- **Masculinity versus Femininity** shows preference for achievements, results and assertiveness.

Hofstede (2001) claims that every society has its unique characteristics and that it is fundamentally different from other societies. These results help managers in tourism to adapt their behavior to the cultures of societies they operate in. Being acquainted with someone’s culture brings about easier communication.

Apart from this, it is important to be acquainted with company policies of some countries. The example for this is a stark difference between countries which are a part of the same union. For instance, the employees in Portugal spend more time working than those in Germany, even though these two countries are members of the European Union. Also, there are differences in salaries (www.wordbank.org).

Managers have to be aware of legal and political systems of different countries because they also differ. It is paramount to become acquainted
with employee rights or those of their clients. Errors might lead to enormous expenses.

Differences in cultures of countries have already been mentioned. The consequences are differences in ethics and in codes of conduct for managers. If one is not familiar with rules of behavior, then the consequences will not only be ridiculous, but also detrimental to business.

Is it better to hire managers from one’s own country or from the country the company is operating in? The answer to this question is complex and open for interpretation. Some suggest that the best solution is to hire managers from the country the company is operating in, and have those managers train the ones from your own country. This can be expensive, but it ensures that employees will be trained on how to deal with problems which might arise in the new environment.

**Conclusion**

Globalization is an unstoppable process and there are no obstacles for its development. The rich countries have capital and the poor countries are in dire need of it insofar as it will help them preserve their industries. Globalization is spreading with the help of capital and individuals are disregarding numerous critics aimed at its negative aspects.

The good aspects of globalization are reflected in the use of information systems which help poor countries acquire information and compete with other underdeveloped countries. The poor countries still cannot compete with the rich ones. This part of globalization has been widely criticized because it does not remove differences. On the contrary, it broadens the differences among them. Multinational companies allow the underprivileged countries to thrive in sectors which will not aid them in becoming upper middle income countries.

The situation is similar in tourism. Globalization has affected this industry a long time ago. This process is creating new types of tourists and tourism. The replacement of traditional tourism compels travel agencies to prepare tourism products and travel offers which will satisfy consumers.

Perceiving globalization as beneficial for tourism requires from Serbia to enact new policies which need highly skilled individuals. In addition to
this, those individuals have to possess the necessary knowledge and skills related to information technology and they have to assimilate tourists in Serbia. One of the most important things is to encourage innovations in tourism products which tourists across the world will recognize and find attractive.

References


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