

The Impact of the National Strategy for Tourism on Economic Development in Jordan

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Abstract

There is a thin line between tourism development and economic development in Jordan. This is because of the weight that tourism has on economic development. Tourism revenues contribute greatly to the country's GDP allowing the economy to grow and develop at a faster rate. The past has been characterized by slight drop in tourism activities and revenues as realized in the year 2013 due to the region's instability. However, Jordan's leadership has come up with key measures to boost tourism through developing a unique national tourism strategy that has a positive impact on the country's economic development. This study will discuss about the impact of the national tourism strategy on economic development in Jordan. Through exploring the key components of Jordan's national tourism strategy, the study will look into the impacts that these strategies have on the Jordan's economic development. In essence, this study will be significant in explaining the ways by which the implementation of the country's national tourism strategy has a positive impact on economic development of the local economy.

Keywords: Economic development, National tourism strategy, Tourism development, Tourism destinations, National GDP.

1. Introduction

The national strategy for tourism in Jordan has been a matter of concern following the efforts that have been put in the tourism industry that labors under the weight of the region's instability. The region's instability has worked against the growth of tourism industry in Jordan with the local officials indicating that the year 2013 was characterized by a 14% decline in the numbers of visitors who visited the country. According to statistics released by the officials newspaper, an estimated 5.4m tourists visited the kingdom in 2013, down from 6.3m in 2012. The number of overnight visitors dropped by 16%, from 4.2m to 3.5m, and the number of day trippers eased from 2.2m to 1.4m. As with the past few years, the sector's performance was attributed to various forms of unrest in the Middle East and North Africa (MENA) region, from post-revolutionary power struggles in Egypt and Libya, to the ongoing conflict in neighboring Syria, (alghad.com). Jordan has responded to the decline by strengthening its national strategy for tourism to boost growth in the volumes of tourism activities and volumes.

The country has taken on a number of initiatives under the national strategy to bring the industry back into recovery and promote continued economic development. This is critical due to the nature of Jordan's tourism industry characterized by the high potential for the industry to promote economic development. Jordan's tourism industry is unique due to its positioning in the Middle East, its relative stability as compared to other neighbors, and the diversity of its tourist destinations (Alhroot, 2007). These factors have made the country to continue attracting a large pool of visitors every year. In addition, the unique demographic conditions in the country have also made many visitors especially from Europe to find the country a destination of choice. The national strategy for tourism plays a key role towards determining the success of the industry in expanding its activities and revenues leading to increased economic development (Jordan, 2004).

Jordan's annual income from tourism amounts to an estimated 3 billion dollars making tourism one of the key contributors to its annual GDP. The annual tourism spending in Jordan is significant due to the major projects that are conducted in the country. The two main projects are Jordan Tourism Project (SIYAHA) and Jordan Tourism Project II (SIYAHA), which have been funded with an estimated \$17,424,283 and \$28 million respectively (nichecreator.com). In addition, an estimated twenty billion dollars have been invested in Aqaba Special Economic Zone, Jordan's sole coastal city. Tourism in Jordan is said to have led to the creation of an estimated 25,000 new fulltime jobs alongside other part time jobs, making the industry significant in improving the living standards of the Jordanians (Shahrouri, 1999).

2. Impact of national Strategy for tourism on Economic Development in Jordan

Tourism in Jordan has become an essential player's towards the economic developments in the country. The sector in the recent past has demonstrated its potential in terms of the revenues that it can raise when right strategies are implemented. Besides, the region's political instability that has affected the industry in the past, the country's tourism industry has continued to be one of the significant contributors to its GDP. Tourism industry in Jordan is a major driver of sustainable economic developments in the country (World Tourism Organization, 2007). This is because of its contribution to different sectors of the economy. The industry is rated as the second fastest growing in the country characterized by being the major employer to the locals, and secondly the largest

export service that Jordan offers to the world (Kaiser, 2000). The implication here is that well developed tourism strategy would go a long way in making the economy realize economic growth milestones that have never been realized before. Over the years, Jordan has developed its national strategy for tourism that provides the goals, and methods by which the country will realize the laid goals. This strategy captures a number of ways by which the country will promote tourist activity volumes and revenues leading to economic development (Shahrouri, Copenhagen Business School. CBS & Handelshøjskolen i København & HHK, 1999).

The Jordan National Tourism Strategy 2010-2015 has a unique vision. The vision reads, “To make Jordan a distinctive destination with diverse visitor experiences that will enrich the lives of Jordanians and their guests”. In this context, the vision of the strategy is focused on improving Jordan as a tourist destination, which has positive impacts to economic growth. The vision behind the strategy is to make Jordan a unique tourist destination not only on the region but across the globe through improving visitor experiences (Jordan & Duval, 2008). This implies that much has to be done as regards improving the quality of customer service, diversity of offerings, and marketing of Jordan as a unique tourist destination for visitors from across the continents of the world. In pursuit towards the realization of this vision, Jordan tourist stakeholders broke down the vision into practical strategies that would promote the growth of the industry leading to economic development (George, Mair & Reid, 2009).

The national strategy for tourism has a significant impact on economic development in Jordan due to the fact that tourism acts as a driver to sustainable economic development locally. The first strategy for tourism in Jordan has been to improve Aqaba and Dead Sea tourist attractions by making them more competitive in the region and the globe. Jordan has realized several developments as regards tourism in the region as regards improvements in its destinations. However, increased competitiveness in the global tourism sector led the leaders to find it necessary to improve the Aqaba and Dead Sea tourist destinations due to increased competitiveness in the region. The country has come to appreciate Aqaba and Dead Sea destinations as critical in improving other tourism sectors. The focus on developing this destination center is focused on improving Jordan’s position among world countries as regards travel and tourism competitive index. The country is rated 53 out of 130 countries on Travel and Tourism Competitive Index (jitoa.org), and it is believed that through improving these major attractions, a more significant change in the number of tourist visits would be realized. An increase in the number of tourist visitors in the country would lead to more revenue generation from hotels and destination centers leading to economic development (Daher, 2007).

Secondly, Jordan looks forward to improve the quality of services offered across the tourist destinations as a strategy to promote repeat visits. Repeat visits have played an important role in promoting tourism and economic development. In the 2010-2015 tourism strategic plans, Jordan has laid out plans to improve the quality of service delivery across the different destinations for its tourists (Jordan, 2004). The strategy is focused on increasing the quality of customer service at the hotels, and outdoor tourist destinations. Through improving the quality of service given to the tourists who visit Jordan, the industry benefits in two ways. First, as mentioned it creates a platform for promoting repeat visits by tourists (Lin, Edvinsson, Chen & Beding, 2013). Repeat visits are necessary in increasing the volumes of visitors who visit the country in the year. Secondly, through this strategy, the industry attracts new visits out of referrals. The current visitors would experience good services and share this with other potential visitors leading to increased volumes of new visitors who will visit the country (Pearce & Butler, 1999). In other words, this strategy has a direct impact on the volumes of tourists who will visit the country. The ultimate consequence is that as volumes of tourists guests goes up, more economic activities and business opportunities in the travel and hospitality industry would be generated leading to economic development (Khong & Ananzeh, 2012).

Thirdly, the 2010-2015 tourism strategy for Jordan outlines the need to diversify products and facilities to accommodate for more tourists expected in the country. This strategy entails diversifying tourist destinations and sites available in the country through exploiting new areas of tourism that have not been exploited well before (Tamásy & Taylor, 2008). The strategy calls for tourist stakeholders to take an active part in promoting tourism investments on services that have not been much embraced in this market yet have a potential to pick and lead to the generation of more revenues from this market. In this regard, the country looks forward to expand its tourist product and service listings to include new and less competitive areas of business (Jordan, 2004). In this context, the stakeholders look at expanding into new areas of tourism such as the barbeque and outdoor segment of tourism that has picked in other parts of the world. Through diversifying the products and facilities available in the country, the country will open its doors to new guests who may be interested in these services that have not been offered before (World Tourism Organization, 2000). In addition, the exploitation of new areas of business will lead to the creation of more jobs and revenues for the locals. Increased employment of people would lead to improved household incomes that would significantly promote economic development. As more jobs are created for the locals, the people will have incomes and money to invest back to the economy leading to economic development (Keyser, 2002).

In addition, the 2010-2015 tourism strategy also aims at improving technological investments in the

tourism sector. The strategy to boost the technological innovations and development in the tourism sector comes amidst increased competitiveness of the sector as new technologies are adopted (Lin, Edvinsson, Chen & Beding, 2013). This strategy focuses on increasing the amounts of money pumped in the industry to develop new technologies and inventions making the industry get to the current global standards in tourism. The global tourism industry has greatly improved in terms of technology as new technologies are adopted to capture the new customer needs in the market. Tourist guests have needs, which keep changing making it necessary for the industry to adjust. Jordan looks forward to adopting new technologies at its tourist destinations. Technology is critical for tourism development (Shahrouri, 1999). The country will also adopt new technologies in the hotel and travel industry in such a way to improve these infrastructures leading to better service delivery (Jordan, 2008). Through developing new technologies improving the necessary infrastructures, then it would increase customer satisfaction among the visitors. Technology is critical to the growth of tourism in Jordan by making the industry competitive to other established tourists destinations. Indeed, with improved technological investments, the industry will attract more tourists in the country leading to boosting economic developments (Fawzy, 2002). The other strategy for Jordan is to boost the bilateral relations with other countries especially the Muslim countries to attract more Muslim visitors in the country. Jordan is well situated in the Middle East and has the potential to attract more visitors from the Muslim countries that it neighbors. The country employs this strategy through improving tourist's services to cater more effectively to the tastes of the Muslim travelers. Already, Jordan ranks high in terms of Muslim-oriented tourism through provision of services such as Halal foods, and providing gender guidelines for use of gymnasias and swimming pools. Most of the tourists who visit Jordan come from other Arab countries, and a majority of these visitors are Muslims. This strategy would work best in increasing the volumes of tourists who visit the country leading to economic development. As more Muslim visitors come in the countries, more revenues would be generated leading to improved economic development (Keyser, 2002).

3. Conclusion

Conclusively, Jordan's national strategy for tourism has a significant impact on its economic development. The study makes evident that Tourism contributes significantly to the local GDP raised from the economy. The diversity of tourist destinations and the growth of the country as a major destination hub for tourists in the MENA region is a pillar to Jordan's tourism sector (Urdunn, 2004). Effective implementation of the components captured in the national strategy for tourism in Jordan is promising enough for economic developments amidst the challenges of instability that has characterized the local economy. Jordan has the responsibility of maximizing on the natural and technological resources that form strong pillars of its tourism sector (Sinclair, 1998). Strong leadership and continued improvements on the national strategy with the changing global tourism market conditions is necessary for the country to experience sustainable tourism development and consequent economic development (Al-Rousan, Albdour, Muhammad & Ibrahim, 2012).

In addition, this study appraises Jordan's national strategy for tourism as a pillar for economic development today and in the near future. In an economy such as Jordan's where tourism revenues according for a significant portion of the overall GDP of the economy, its national strategy becomes an asset for that guarantees a brighter future for Jordan as it looks forward to growth in its economy. It is evident that the country has vast resources under the tourism industry that have not been maximally used to promote growth in this economy. This study identifies with the national strategy for tourism as a pillar that will not only expand tourism industry, but bring about a significant positive change in the overall economic development in Jordan. The success in realizing this goal calls for consistent implementation, evaluation, and improvement of this strategy to guarantee growth in the sector.

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