The Adaptation of the Libyan Travel and Tourism companies to Environmental Turbulence Applied study on Travel and Tourism Companies Located in Tripoli – Libya

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Abstract

The Libya economy depends heavily on oil as considered the most important commodity in many countries, it impacts the politics and the economy of such countries. As a result, the income generated from the oil sector should be invested in other sectors such as tourism. The tourism sector is one of the most significant sectors in most countries worldwide. Thus, the political upheaval that swept through the Middle East and the North African region in 2010 and 2011 brought about great political turbulence, followed by a severe decline in the number of international tourist arrivals.

The 2011 Libyan civil war has halted tourism activities and blocked off the development of Libya’s tourism sector. Economic, political and security problems in post-civil war, Libya have created a high degree of turbulence and uncertainty among Libyan tourism companies, as their operations are dependent on national security, political stability and the confidence of international tourists and agents to travel to Libya.

The purpose of this study is to investigate how travel and tourism companies in Libya respond to the turbulent environment as well as to war and post-war conditions. In addition, the study showed how tourism companies develop specific capabilities to resume business as usual or to adapt to the new conditions in the post-crisis stage. The data were collected through semi-structured interviews with five travel and tourism
companies’ officials. The interview data were analyzed and a number of recommendations presented.

**Keywords:** Environmental, Turbulence, Tourism, Travel, companies

### Introduction

Libya possesses a great variety of natural, historical and cultural attractions, including archaeological sites. Five of these sites are included in the UNESCO (2015) list of World Heritage Sites. These are: Cyrene, Leptis Magna, Rock-Art Sites of Tadrart Acacus, Sabratha and the Old Town of Ghadames. In addition, Libya has a coastline of about 2000 km. As such, this makes Libya’s beaches among the longest North Africa’s beaches along the Mediterranean Sea. Moreover, they are attractive sandy beaches for tourists. Also, Libya is a home to many World War II sites, from cemeteries to headstones commemorating British and Allied servicemen (Ham, 2007). Figure (1) illustrates the numbers of international tourists visiting Libya during the period 2000 - 2010. In 2006 international visitor numbers reached 125480. Since 2006 the number of international tourist started to decline (Libyan Tourism Ministry, 2015).

![Figure (1): The number of international arrivals to Libya during the period from 2000 - 2010](image)

Source: Ministry of Tourism, 2019
The tourism sector is considered as one of the most economically vital sectors for some economies (Pforr, 2009). Regardless of the nature of crises and disasters, they are all similarly unpredictable. Thus, when a disaster or crisis happens, important aspects of international tourism demand will certainly be affected adversely, including reductions in international visitor arrivals, employment, private sector earnings, government earnings and ultimately, the cessation of further investment (Huang et al., 2008). Some crisis events that may not have been directly related to tourism have proven to have a significant impact on tourism sectors, as in the 2001 World Trade Centre terrorist attack, the 1997 Asian financial crisis, the 2002-3 SARS epidemic and the 2004 Indian Ocean tsunami (Paraskevas & Altinay, 2013). In recent years, literature has investigated how tourism sectors have experienced disasters and crises, from terrorist attacks, war and political instability, health concerns, crime issues, flood and earthquakes etc. In addition, scholars have noted an increasing number of crises and disasters that affect the tourism sector, ranging from natural to human influenced incidents.

Tourism has grown to an activity of worldwide importance and significance. For several countries, tourism is the largest commodity in international trade, while in many others it ranks among the important industries. The tourism benefits for the economy are difficult to measure and can be adopted by both developed and under developed countries. Tourism is one of the main providers of employment. It plays an important role in providing jobs for places where there are less job opportunities (Sinclair & Stabler, 1991).

In addition, tourism may prove to be a valuable source of foreign exchange within a country. It may have a significant effect on the distribution of income between different regions by injecting spending power to underdeveloped areas. Tourism has the potential to contribute to the development of community’s well-being (Haley & Haley,1997). To some countries, tourism has greater scope for economic, social, culture and regional development due to their geographical situation. In fact, tourism may help concerned host countries in various ways to improve their socio-economic standards (Goeldner et al, 2000). As, Abuharris (2014) mentioned, The development of tourism products should be combined with a sustainable focus, which helps to fit in with the local environment and ensure its preservation. The successful formulation and implementation of a tourism development policy is predicated upon the mobilization of human, capital, physical and other resources. These resources spearhead any tourism policy to ensure the identification
of the tourism product, organize its marketing and overall control of the sector and its integration into the national economy.

The paper will discuss important issues regarding environmental turbulence and how it affects the travel and tourism organizations. The data collected through face to face interview with senior personnel from the targeted travel and tourism companies will be analyzed and crisis plan for improving the level of performance in within the travel and tourism companies in Libya will be formulated as a result of the analysis findings.

**Crisis and Disaster Definitions**

Crises and disasters exemplify chaotic situations and the complex interrelationships between the human and natural systems. For example, an oil spill or a bio-security threat can have a major impact on a tourist destination and tourism businesses (Ritchie, Crotts, et al., 2014). Faulkner (2001) identified the following characteristics of disaster or crisis situations: (1) a triggering event, which is so significant that it challenges the existing structure, routine operations or survival of the organisation (Trigger events may include political crises, religious or ethnic tensions); (2) economic decline and climate change; (3) fluid, unstable, dynamic situations; (4) high threat, short decision time and an element of surprise and urgency; (5) a perception of an inability to cope among those directly affected and (6) a turning point, when decisive change, which may have both positive and negative connotations, is imminent.

Beirman (2003:4) modified the definition of Faulkner (2001) and defined a crisis in the following terms: “a crisis is a situation requiring radical management action in response to events beyond the internal control of the organisation, necessitating urgent adaptation of marketing and operational practices to restore the confidence of employees, associated enterprises and consumers in the viability of the destination”. On the other hand, Santana (2004) concluded that tourism literature provides no generally accepted definition of crisis and attempts to categorize forms of crises have been sparse. However, Paraskevas and Altinay (2013) and Santana (2004) argue that the most comprehensive definition of tourism crisis is offered by Sonmez et al. (1994):

“…any occurrence which can threaten the normal operation and conduct of tourism related businesses; damage a tourist destination’s overall reputation for safety, attractiveness and comfort by negatively affecting visitors’ perceptions of that
destination; and, in turn, cause a downturn in the local travel and tourism economy and interrupt the continuity of business operations for the local travel and tourism industry by the reduction in tourist arrivals and expenditures.”

Maditinos and Vassiliadis (2008) concluded that all existing definitions of the term ‘tourism disaster and crisis’ converge on the point that a disaster or crisis refers to an unpleasant and difficult situation, which has to be managed as effectively as possible.

**Crisis Planning**

Crisis and Disaster planning for tourism industry have received a great deal and more attention from authors in light of recent serious disasters which are mainly due to human-made or nature causes (Biggs, Hall, & Stoeckl, 2012; Faulkner, 2001; C. Pforr & Hosie, 2009). Tourism and consultation’s agencies have sought to address the issues of sustainability in a variety of cases by adopting effective plans. Similarly, communities and businesses may have developed the capacity to respond to immediate and sudden threats to their functional operations. However, they have demonstrated a capacity to adapt to incremental threats to their longevity (sustainability). In the tourism literature, there is considerable emphasis on resilience to the immediate challenges, for instance, local impacts, natural disasters and/or financial shocks (Biggs et al., 2012; Orchiston, 2013). There is merit in involving stakeholders as a crucial long-term state, where there are needed to their experiences especially in developing countries such as Libya which is experiencing critical problems from political instability which discover the weaknesses of tourism-planning (Jamal & Getz, 1995).

It has been shown that there are several crisis and disasters that are not directly related to tourism industries, the tourism crisis management literature demonstrated that there had been particular attention on how the tourism industry is impacted by crisis and disasters. Most of the tourism crisis management literature has primarily concentrated on the effects of the tourism crisis and disasters in the Asian, American and European regions; nevertheless, there is little published data on the effects of political instabilities and security instabilities on the tourism development and growth especially in the Middle East and North Africa region. Consequently, when taking into account the political instability in the Libyan case as a country in the North Africa region, there is a need to show and comprehend the effects of the Arab Spring Revolution including the civil wars and political instability on the tourism development in Libya.
Data analysis and findings

Travel and tourism company’s views on environmental turbulence

The study presents the case studies’ findings of five travel and tourism companies which have experienced turbulent environment caused by the Libyan civil war. The interviews and documentary data of each case study were examined to describe, how each tourism company responded to environmental turbulence.

Company-A is a tourism and travel company, headquartered in Tripoli, the capital city of Libya. The company was founded in 2004. The company required an initial investment of 2000,000 Libyan Dinars (about US$1,600,000). From 2004 till January 2011, the main focus of the company’s operations was on Sahara adventure and heritage sites tours. The company focused on providing tourism and travel services to tourists, especially those from Italy, the U.K, France and Germany etc.

The company took action in a high-risk period at the beginning of the Libyan civil war. Specifically, on the 20th of February 2011, the Chief Executive Officer (CEO) held a formal meeting with staff of the company to discuss and assess circumstances surrounding the company and then suggest risk-containment mechanisms by which to respond to the risks during the war period. At a meeting (dated 20 & 21 February 2011), it was concluded that an auto-theft risk is more likely to happen. Therefore, the management agreed to form a crisis committee to take on the precautionary steps to address the potential risks that the company may be exposed to.

The crisis committee immediately created and implemented two steps: 1) protecting the company’s assets from thieves and vandals by assigning seven employees to participate in guard and security duties. The company recruited two rebels through the help of a third party from the local council of Tripoli and 2) reducing costs via the shutdown of the company’s operations. As a result, the company downsizing 21 employees, because the company could not generate enough funds to pay them. The evidence from two interview transcripts revealed that most of the company’s ability to pursue and create new opportunities and change its focus was based on personal networking activities. Through interpersonal connections with some relatives, business counterparts and government officials in the local business community in Tripoli city, the company’s executives gained access to market information about potential opportunities relating to providing tourism services to domestic tourists and providing accommodation and camping services to
excavating scientists from the UK. In addition, a group of Libyan youths who are seeking a unique adventure tourism experience in the Acacus region and Waw An-Namus Mountains in the Great Sahara Sea. Most of them were university students. This gave the company an opportunity to re-build its camp near Sabha region.

Since the end of 2012, the company planned to diversify its tourism activities. The CEO and Secretary of the company focused on sensing activities, which are seen through observing and talking with Libyan people standing in front of foreign embassies in Tripoli city, who were seeking to get a visa. They discovered that there was an increase in the number of Libyan people who were interested in travelling to Turkey, Greece and Italy for medical purposes. In response to the demand for medical visas in Libya, the company established a new unit called the travel service unit. Two employees of this unit were assigned to download the Visa Application Forms from the embassy’s website and filled in the applications on behalf of clients, especially those who could not read and write in English. Two employees went to the embassies everyday and offered Libyan people visa application preparation and accommodation services. Shortly afterwards, the Libyan people came to the company to get advice about visa application preparation and submission. The travel service unit used a web based reservation system to meet Libyan people’s needs in terms of booking plane tickets and hotel rooms, as well as renting flats at the destination. Indeed, the ability of the company to seize the medical visas opportunity was enhanced by its headquarters in Tripoli City, as all foreign embassies and diplomatic missions are located in Tripoli.

Company-B is a locally-owned tourism and travel company, founded in 1996 in cooperation within CEO’s family and their relatives. The company employed 10 staff members and its main headquarters is located in Tripoli. The company required an initial investment of 25,000 Libyan Dinars (about US$20,000).

In the pre-civil-war period, the company operated in the pilgrimage tourism field. The company specialized in providing Hajj and Umrah (i.e. religious pilgrimage) services to Libyan people who were interested in visiting the holy places in Saudi Arabia. During the civil war period, the company responded to insecure conditions at the beginning of Libyan civil war by taking and implementing two major strategies. The first plan focused on creating and implementing new procedures to reduce all of the company’s costs as far as possible. The second step was represented in the decision to shut down all company’s operations until the Libyan civil-war stopped.
The annual report in 2011 showed that the employees were paid their salaries during their participation in the protection of the company’s assets during the civil war. The CEO of the company adopted new cutback procedures to deal with the deterioration of the tourism business. The new procedures involved completely reducing all kinds of costs, especially administrative costs like copying or direct costs like labour, which was reflected in the shutdown of the company’s operations.

In the post-civil war period, the deputy CEO has successfully obtained valuable market information through his personal relationships based on which new business opportunity was identified. In particular, the Deputy CEO has relationships with some hotel employees who told him that there are foreign journalists and war-correspondents who needed transport services to cover the latest news and events and deliver reports instantly from event places. Hence, the opportunity was to provide transport services from Sirte and Bani-Walid cities to Tripoli City and from Tripoli city to Nafusa Mountains and then to Zuwara city. Moreover, the company started to diversify its tourism activities. In order to survive under the conditions of instability, the CEO discovered other opportunities in the travel area. Through his information sources, he recognised the opportunity to provide ticket-booking services of domestic flights, especially between Benghazi and Tripoli. After the company got permission from a tourism and travel company in Tripoli to sell domestic airline tickets. In response to this opportunity, they started to use their existing old assets to operate in the ticket selling area.

**Company-C** is a locally-owned tourism and travel company and was founded in 1998. The company is located in Tripoli and employed around 16 employees. The company started with an initial investment of 80,000 Libyan Dinars, which is equivalent to US$65,000.

In the pre-civil-war period, the company operated camel riding and 4WD trips in Libyan Sahara. During the civil war, the company did not operate at all.

The CEO and his management team made a decision to move all of the company’s movable assets - cars, inventory, office equipment and computers, desks, chairs and electric generators - from El-Alwinat City to the company’s headquarters in Tripoli city. Shortly afterwards, the CEO and his management team decided to assign seven employees as security guards to protect and look after the company’s assets and properties. Finally, the CEO and his management team decided to reduce or downsize...
employees working in the second site locating in El-Alwinat with the intention of reducing costs. Thus, they shut down all of the company’s operations.

Email correspondence showed that on the first night of the Libyan civil war, the CEO and six employees, who work in the first site in Tripoli, organised an emergency meeting at the headquarters of the company to discuss and assess the crisis of the Libyan civil war. In this meeting, they discussed the possible challenges (i.e. potential risks as there was no police presence on the roads leading to El-Alwinat), when moving the company’s assets from El-Alwinat City to Tripoli. The decision was taken to move the company’s movable assets to Tripoli, due to the lack of a secured warehouse or a safe place to keep the company's assets in El-Alwinat City, especially the cars. Thus, the CEO and his colleagues assigned five employees to hire three workers to assist in the transfer of operational equipment to Tripoli. On 11 March 2011, the CEO of the company decided to downsize the company’s number of employees, followed by a shutdown of all operations in order to reduce costs and in response to the challenges due to the civil-war. The company relied on its employees in the process of protecting assets and resources and properties in Tripoli City.

After the end of the Libyan civil war, in particular after October 2011, the company started looking for new commercial and tourism activity through making formal visits and having discussions with local business community in Western Libya.

As a result of the discussions and consultations with Libyan private brokers, the CEO and marketing manager reached a decision relating to targeting any investment opportunity associated with a domestic transport market in Tripoli. Specifically, they recognised that providing transport services to small hotels’ clients and college/university students is the best available choice for them. The CEO and the marketing director made direct contacts and frequent personal visits to a number of small hotels and hostels operating within the city of Tripoli. They had regular conversations with hotel employees and clients about providing transport and rental services and they distributed business cards and promotional stickers to them. Indeed, within three to five days, the company began receiving five to seven phone calls daily from a group of clients staying in hostels, asking for transport services.

**Company-D** is a locally-owned tour operator, located in Tripoli, founded in 2000 and started with an initial investment of 80,000 LYD (about US$65,000). The company has
13 employees. The company mainly operated as an intermediary between the tourists, especially those from Europe, and some tourism service providers located in Tripoli by jointly organising holiday programs. However, the company had the largest share in terms of making all the necessary transport arrangements to transport tourists from Tripoli to popular archaeological sites in West Libya such as Kabaw, Nalut and Gharyan. Due to the improvement in the field of visiting archaeological services, in 2008, the company bought more Toyota Land Cruiser 4x4 Station Wagons to take tourists to visiting archaeological sites.

In the civil war period, the company faced difficulty in running its business after an attack from unknown militant group. Thus, the CEO decided to sell all of the company’s movable assets. At the beginning of 2013, the CEO of the company and his deputy used their personal connections, personal observations and conducted some research to explore the business and tourism activities in Libya. Later, the CEO and his deputy conceived the idea that the investment in wedding/marriage services could be an attractive business. Indeed, their business idea was based in fact on the new Libyan Government subsidies and wage increases provided a good incentive to significantly encourage Libyan-Tripolian young people to marry and raise children. Thus, they saw the Libyan Government subsidies as the main factor in creating new opportunities for wedding/marriage services. The CEO invested 60,000 Libyan Dinar (about US$49,000) in a wedding/marriage business service. He changed the company structure from a tour-service provider into a wedding service provider.

The new emerged opportunity led to the transformation of the company’s headquarters into a wedding/marriage hall consisting of two floors with 150 seat capacity; the first floor allocated for men, while the top floor is for women. The high ceilings of the hall are decorated with Libyan-Islamic decorations. In order to effectively run the wedding/marriage hall, the CEO recruited five Libyan supervisors; three of them are men and the others are women, as well as thirteen foreign workers who were working before the civil-war as cleaners and caterers in the foreign companies in Tripoli. In addition, posters, radio and television advertising were used to promote the wedding hall services. The company provided complementary services associated with marriage/wedding, such as the designing of wedding invitation cards, photography services and wedding transportation services. In addition, the company offers a flexible range of menus to suit the Libyan people.
Company-E is located in Tripoli, founded in 2018 and started with an initial investment of 100,000 LYD (about US$72,000). The company has 6 employees. The company mainly operated as an intermediary between the locals and other tourism companies regarding Haj and Omara programs. As there aren’t any international tourists visiting the country since 2010 the CEO started to search for new opportunities through conducting a marketing research to analyze the market, looking for any gaps which might be filed. In addition, the CEO started to collect information and data about the other competitors in the market place to find out about the services they offer to their customers. As the company founded recently it started to make contracts with other companies to work as an intermediary regarding various tourism activities, granting international visas, Hajj and Omara, medical tourism, International universities local student acceptance and English language programs. Regarding the Medical tourism, the CEO discovered from the research results that many Libyans are seeking to travel to Tunisia for medical treatments. The company made contracts with hospitals and health centers located in Sffacs and Tunis - Tunisia offering a complete package, which include the transportation means accommodation and medical advices. In addition the company made a contract with other company in Germany regarding Medical Tourism. Also, the company made a contract with Malaysian institute for English Language and Universities acceptance offers for Libyans who seek to study in Malaysia.

Finally, from the analysis the framework fig (2) illustrates a crisis plan for the Libyan travel and tourism companies to be in harmony with environmental turbulence through collecting day to day data and information from the market place and the other stakeholders as well as the internal and external environment to help innovating new tourism activities and size valuable opportunities to secure surviving and improve income.
Figure (2) crisis plan for improving the performance of the Libyan travel and tourism companies

Source: Prepared by the author
Conclusion
Security, uncertainty and volatility have continued to serve as a barrier to international tourist arrivals to Libya, as well as domestic and foreign investors and businesses in Libya. Tourism companies require the presence of mechanisms for developing specific knowledge and organisational capabilities, in order to meet challenges in turbulent environments. Companies started to identify gaps through collecting and analyzing of information from the external environment. Establishing dynamic capabilities can help in developing an understanding of the abilities of Libyan tourism companies to create business opportunities in environmental turbulence in the post-civil war period.

Four travel and tourism companies were investigated based on the pre-civil-war period and post-civil-war period and one company investigated based on the post – civil-war only. In the post-civil - war period, all tourism companies developed the crisis response capability, which led to the creation of a set of operational activities to protect the companies from potential risks. This capability has a dynamic nature since it led to creating new operational activities to survive and remain in the market. The four travel and tourism companies (i.e., A, B, C and D) demonstrated adaptive capabilities through partially or completely updating their existing resource bases and transforming towards a new market. Company (E) as it has been emerged only recently started to adopt the current situation through diversification of tourism activities. Therefore, the travel and tourism companies showed the ability to change their fixed and movable assets. Moreover, the ways in which the company’s operate based on the emerging opportunities reflected related and unrelated diversification behaviors.

Recommendations
1) governmental commitment to allocate adequate resources from its national budget to finance post-civil war tourism development and infrastructure improvement.
2) A sufficient budget for financing tourism infrastructure projects and tourism plans are essential for post-civil war tourism development.
3) marketing the tourism sector to raise the awareness and re-engineer images of Libya abroad as a potential destination in key source markets
4) The Libyan Tourism Ministry involvement through coordinating with the universities and other education providers to design educational and training tourism programs required to develop tourism sector in Libya.
5) the Libyan Government must strive to make joint efforts to control over the borders to prevent the flow of weapons to criminals and terrorists, as well as stop the flow of illegal immigrants.

6) The improvements in the effectiveness of the Libyan National Army and police services as well as increasing the level of security awareness among the national community will play a role in enforcing law and overcome the corruption, safety and security problems.

7) More motivated incentives for private sector to invest in tourism projects as well as the creation of investment opportunities for the private sector in tourism projects to accomplish high participation in tourism development future.

8) Creating appropriate tourism investment atmosphere for the private sector by providing the essential infrastructure and available tourism loans.

9) Encouraging cooperation and partnership between the public and private sector to invest in tourism projects.

10) Developing crisis tourism plans to help anticipating the future and the allocation of companies’ core competences among various resources.

References


