

# Impact of investors on the development of health and hospitality tourism in Kosovo

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**Abstract:** This study aimed to evaluate the impact of investors on the development of health and hospitality tourism in Kosovo. The study involved 50 investors from various hotel and healthcare companies. The guerrilla method was used for the methodology of this study. In this study, a semi-standardized instrument was used which measures the impact of investors in the development of health and hospitality tourism. The findings of this study have shown that there is a significant correlation between the investments made by investors and the development of health and hospitality tourism in Kosovo. Also, from the findings of the study, we understand that the male gender achieves a higher average of investments than the female gender in health and hotel tourism in Kosovo than the female gender. Finally, the findings of this study and the practical significance of these findings are discussed and recommendations are given regarding the findings of the study.

**Keywords:** investment; impact, managers; health tourism; hotel tourism

## 1. Introduction

In this study, we will analyze the impact of investors in the development of health and hotel tourism in Kosovo, during this study we will understand what is the level of motivation of investors and what impact they have on the development of health and hotel tourism in Kosovo.

Tourism is considered as one of the most economical and dynamic sectors that are increasingly interested and needed in today's world, especially in those countries that consider this sector as one of the main branches in the development process due to the income generates for host countries, as there is an integrated tourism industry. It includes some interactive elements such as planning and construction, proper utilization of skills and functioning of services, choosing the right place contributes greatly to attracting tourists consistently to secure strong monetary income, and to hire simple workers and qualified, in addition to advancing development not only in the tourism sector but including other sectors (Reçica and Millaku, 2011).

To ensure the so-called "sustainable tourism", there must be an element and that is the "investment" in tourism wealth, tourism equipment, and facilities that take into account the needs of tourists and provide them with the right climate for leisure and entertainment, this case applies to many major countries in the field such as the United States (USA), Canada, France, Malaysia, and Turkey, but if there are some difficulties and challenges that threaten the stability of the tourism sector and investments in it, then this is considered an obstacle to the effectiveness and sustainability of this sector, especially when it comes to the security aspect, which is considered the basic basis for

attracting investment. given that capital is invested in the areas of stability (Gashi, 1986).

The investor and tourist sense of security and stability in the host country, in addition to the availability of services, makes them turn to him, whereas if security data is not available and there are many security threats and risks such as tourist hijacking, targeting them, threatening them and monitoring them, then the investor will withdraw from the state or Host Area, due to the lack of a security dimension (Millaku, 2008).

## **2. Literature review**

### **2.1. Dimensions of tourism development in Kosovo**

The rapid growth of tourism in Kosovo follows the global trends in this sector, especially in the last ten years. There is a constant introduction of new tourism products, improved supply to destinations within the country, and in general, services are modernized and diversified. Tourism, therefore, is becoming one of the sectors that are giving impetus to economic and social development in the country. According to the World Tourism Organization, in 2018 more than 700 million tourists arrived in European destinations and it is estimated that during their stay, each spent an average of 800 US dollars. In the same year, according to the Kosovo Agency of Statistics, 192,761 foreign tourists came to the country.

These visitors are mainly from German-speaking countries, Turkey, and our diaspora. It is an interesting fact that many Asians come to Kosovo as part of Balkan tours. In addition to foreign tourists, local visitors, residents of Kosovo who choose to spend weekends or holidays in various destinations within the country, are an important group of users of tourist services. This group is also growing from year to year. According to the Kosovo Agency of Statistics, in 2018 the number of domestic visitors who visited various destinations within the country was 108,043 (Gashi, 1987).

### **2.2. Development of health tourism in Kosovo**

Health tourism in Kosovo. Kosovo has rehabilitation baths and natural resources which have been proven to be curable in terms of Air and Water that it has, especially in the Albanian Alps (in the mountains of Deqan). Their effectiveness is multifaceted, taking into account the variety of plants and fresh air offered by the Alps with an altitude of 2656 meters-Peak of Gjeravices-Deqan. Therefore, with an investment in infrastructure, this will be sustainable and will bring 100% cure to those people suffering from respiratory diseases and many other diseases which directly affect the human lungs (Reçica and Millaku, 2012).

Health tourism involves much more than just cures. This term constitutes a general concept for all types of health-motivated travel. Health tourism today is an important tourism sector, which will be of greater importance in the future. Healthy living can be seen from numerous studies, as well as from the experience accumulated, especially in recent years, as a Megatrend (big trend), which is spreading more and more in all areas of life. The cure is about alleviating various ailments, while modern health tourism looks at the health of the traveler (still not sick) as:

- A goal worth the effort (health is more than not having pain, that is, positive meaning of life),
- A personal test,
- A premise to be healthy,
- A form of rest, which must also take on a special character.

Health tourism is a trend that goes aside from the traditional cure. He has a different position towards life and illness, he has a new relationship between work and leisure, he aims at a higher quality towards life, the desire to live, finding himself.

Health tourism dominates all subcultures (changing value assessment, increasing importance of communication) and all lifestyles (Millaku, 2008).

What does a health vacationer want?

The answer to this question every health vacationer seeks to learn before making the trip to the place where he intends to rest. He must already have accurate information about what is being offered at the place of rest. After all, the health vacationer should be acquainted in advance not only with the location and geographical position of the resort, but also with some crucial factors for his vacation, such as:

- A diverse and harmonious nature.
- Coast, water, clean air.
- Information on cultural peculiarities / events.
- Information on the environmental situation.
- Good opportunities for train/bus excursions.
- Opportunity to contact area residents.
- Opportunity to enjoy regional and seasonal products in gastronomy.
- Comfortable and cozy ride.

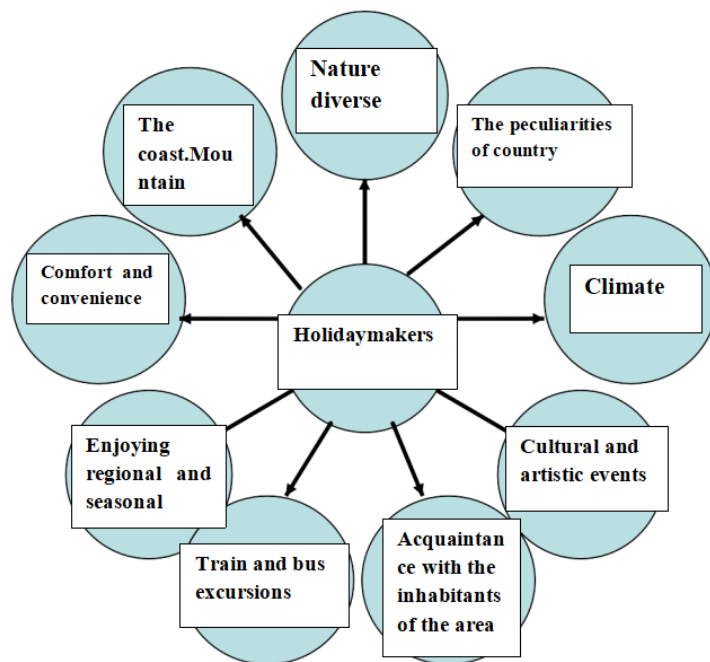
In health tourism, healing is an important element. Every client is subjected to health tourism for the alleviation of chronic diseases, respiratory, lung, rheumatic, etc., according to the recommendation of the personal physician and the chief medical professional.

It should be noted that in health tourism there can be no talk of complete recovery of the health tourist. Usually, these diseases last a long time, and health tourism enables several years of curative treatments, bringing relief to the health of clients. But there are also cases when health tourism helps prevent such diseases, otherwise called prophylaxis.

Health places and health enterprises serve for the realization of health tourism. Health places are named as such because they enjoy different properties from other common places. Those that receive the status of a natural health place, are thermal springs, climatic places.

Health enterprises are natural, but can be enriched even more by the man himself. We can mention the establishment and operation of tourist complexes near health water sources or climate sites, adding in parallel the sports treatments and various folk therapies offered in these tourist complexes (Reçica and Millaku, 2011).

Schematically these factors are presented as in the following **Figure 1**:



**Figure 1.** The most important factors for the healthy vacationer.

Source: Muhaxheri, 2005.

### 2.3. Development of hotel tourism in Kosovo

Based on the experiences so far in tourism and hospitality, the regions of Kosovo but also at the country level should build the concept based on building the identity of the “Tourist Place”, which would become synonymous with visitors-users of the existing offer, tourism, and the advancement of new content based on the cultural and historical heritage, which the regions and Kosovo have as tourist destinations. We can conclude that the development of tourism in Kosovo, in general, has been non-concentrated, thanks to the fact that localities and tourist destinations are scattered everywhere, so there is a dispersion throughout the country, which is due to factors different socio-economic across regions. Whether the development of tourism should be concentrated or distributed in the geographical aspect, at the level of theory no definite conclusion can be given. This is because each form, even when the development of tourism and hospitality is done more and faster in some regions than in others, but also when the development of tourism and hospitality is concentrated at the same time in all regions, or the national level has advantages comparative, and shortcomings, so we suggest that the rationale for concentrated or dispersed development be verified according to the concrete cases based on the socio-economic goals that are desired to be achieved with this development (Tooman, 1997).

Construction and development of the tourist offer either in a concentrated way or in a distributed way from case to case, but also its level should be based primarily on meeting the conditions of the current users of the tourism and hotel offer, but also that the maximum should be given for this offer of the geographical regions of Kosovo as “Tourist Destinations” to find the right place in The tourist offer of Kosovo, The tourist offer of the Western Balkans Region, The global offer of the tourist market. To achieve this, the place and role of tourism and hospitality must first be defined, in Kosovo, the strategic directions and goals of tourism and hospitality as economic branches must

be defined, making—Identification and valorization of tourism potentials based on the approach strategic leadership for tourism, orientation in creating an identity in the global tourism market as a “Tourist Destination”, of course, it has been possible and work in identifying existing potentials but we are convinced that there are many attractive tourist sites and segments of tourist destinations for visitors to explore, prepares, puts into operation and develops marketing activities to inform the public about them.

The marketing used for tourist destinations should also help eliminate the damage created to the unfavorable image of the country from the time of political crisis, war, and transition time to independence, to foreign visitors but also domestic ones in some cases. If we do not work systematically to create a positive image of the country then the development of tourism may not be what we expect, but this image should be built with effort and investment in preserving cultural and historical heritage, preserving the environment, preserving the balance ecological flora and fauna, water and air, as an opportunity to advance the tourist offer with the “ecological” brand (Tooman, 1997).

In the goals and strategic measures of Economic Development in Kosovo, tourism and hospitality as branches and economic activity should have the sign of priority, and with the activation of KOTAS (Kosovo Tourism Association) as a partner of the Government and Project Donor Institutions in tourism (USAID, GTZ, etc.), has promoted the promotion of tourism and hospitality as one of the priorities in the overall economic development of Kosovo. With this increased activity in the field of tourism and hospitality, we should focus on the need for planning and introduction of scientific-research work in this economic branch, as one of the needs to an interdisciplinary review of the impact of factors that are present and have significant participation in the development of tourism in the regions of Kosovo but also at the national level (Gratton and Taylor, 1988).

Even in the hotel industry as in other activities, an increase in the number of employees has been noticed, but not in that form and possible possibility. Many indicators have influenced this, and the most important among them was the political and social ones. Kosovo was neglected in terms of planning and promoting the development of tourism and hospitality. From the data in the table above we can conclude that the hotel industry in the total number of employees participated with a very small or symbolic percentage. This is due to the lack of interest of the then administration for the development of tourism in general and hotel in particular because Kosovo was not promoted as an independent tourist destination but as an unknown part of the then Yugoslav state. The number of employees in 1957 from the 20 entities included in the table above absorbed the largest number of employees in 1957:

- Workers’ restaurants with 399,
- Cafes with 98
- Buffet with 89, then follow other hotel premises, inns, etc.

The largest number of employees in the workers’ restaurants occurred because most of the Enterprises (factories) at that time had regulated the issue of food for their employees at their enterprise (factory) and in this way, the number of such restaurants was greater and with this, the absorption of the number of employees in these entities was higher compared to other entities that were part of the Hotel. Whereas in 1988

there was a change in the entities which absorb the largest number of employees and they (entities) are:

- Workers' restaurants with 2373,
- Hotels with 2000,
- Other hotel premises with 943,
- Buffet with 839, then followed by cafes, classic restaurants, etc.

Of all the subjects, the largest increase was in Hotels from 21 employees as it had in 1957, in 2000 in 1988, an increase for 19,799,595 employees or 8%. There is an increase in the number of hotel employees in the period in question (Bottomley, 2000).

#### **2.4. Material factors for the development of tourism in Kosovo**

Favorable natural conditions and other conditions mentioned above for the development of tourism have so far been used only slightly. Therefore, tourism has not had any significant impact on the economic and other developments in the country. This is also confirmed by the data on the small participation of the hotel and tourism in the formation of the overall social product of the employees in the tourist activities. During the 20 years for the period in question, the guest capacities have increased in a uniform way where every time there was an increase in the number of these capacities which in 1988 reached 954. All constituted the tourist offer. Which was currently available to customers.

The period from 1968 to 1977 is marked by a steady and not so significant increase of guest capacities in Kosovo which reaches up to 978 guest capacities. The year 1978 is characterized by the largest number of guest capacities. In contrast to the number of visitors who presented with oscillations of increase and decrease of their number. In the guest capacities, there is a very significant increase which until 1988 goes with a more significant increase and decrease of these capacities. This is because the tourist infrastructure represents a slower decline in the tourist clientele which is more sensitive to tourism policy and the general situation, created by the political circumstances in the country (Gratton and Taylor, 1988).

### **3. Methodology**

The onion ring method will be used during the drafting of the paper, which is a mixed-method for conducting research. The mixed-method is based on the use of two or more research methods and usually refers to the use of the qualitative and quantitative methodology.

The study data will be provided through two closed questionnaires, one measuring the impact of investors and the other the development of health tourism and hotels in Kosovo. The questionnaire consists of 8 questions and based on the answers given by the interviewees for each statement, the data are grouped in the SPSS database. Also, the questionnaire which measures the impact of investors contains 7 closed questions and the measurement of questions is done by through Likert Scale from 1 = Never, to 5 = Always. The selection of study participants will be carried out through a stratified sample, reducing the study population from a large and heterogeneous mass. The sample of our study is the investors of health tourism and

hotel enterprises in Kosovo. For the study sample, we plan to take 50 investors in health tourism and hospitality in Kosovo.

**Table 1.** Presentation of respondents’ demographic data.

		<b>Frequencies</b>	<b>Percent</b>
Gender	Woman	8	16%
	Man	42	84%
	Total	50	100%
Age	26–30 vjet	4	8%
	31–40 vjet	18	36%
	41–50 vjet	24	48%
	51–60 vjet	4	8%
	Total	50	100%
Level of education			
	Secondary education	2	4.0
	Bachelor level	32	64.0
	Master level	16	32.0
	Total	50	100.0

**Table 1** shows that a total of 50 investors participated in the study, most of whom were 84% male and 16% female. So here we see a large dominance in the sample of males over females.

**Table 1** also shows that we are dealing with different ages of respondents who were participants in this study. The minimum age of the respondents is 26 years old, while the maximum is 60 years old. The largest number of respondents 48% belong to the age of 41–50 years, while the smallest number 8% belong to the age of 26–30 years and 51–60 years.

In **Table 1**, 4% of the respondents have completed secondary education, 64% have completed Bachelor’s education and 32% have completed master’s education.

#### **4. Results**

Kosovo is divided into five tourist regions:

- 1) Central region of Prishtina;
- 2) Tourist region of the Albanian Alps (Cursed Mountains);
- 3) Sharr tourist region;
- 4) Anamorava tourist region;
- 5) Mitrovica Tourist Region.

All regions of Kosovo have tourist value, but they vary according to the level of resources for development. According to the data of the Tax Administration of Kosovo for 2012, the largest number of businesses in the tourism industry is based in the region of Prishtina (36.6%), followed by Prizren (17.2%), Peja (10.1%), Gjilan (9.3%) and so on. Out of 66 businesses that participated in the survey, 45 of them (68%) are individual businesses, 10 (15%) public enterprises, followed by other categories. The average monthly cost of supplies for the surveyed businesses for 2012 was € 32,732

(maximum cost) and € 21,214 (minimum cost). In terms of their total product values, most businesses surveyed reported that this amount does not exceed € 100,000 per year (85% for 2011 and 83.37% for 2012). The survey results show that most businesses have declared their average annual revenues for 2011 and 2012 in two main categories, € 10,001–€ 50,000 and € 50,001–€ 250,000, while 2.63% and 2.56% have declared annual revenues of over € 1 million for 2011 and 2012, respectively. The development of gender equality is a crucial issue to help the whole sector increase its profits. The development of gender equality is a crucial issue to help the whole sector increase its profits. Women are under-represented in the tourism sector, particularly in business management positions. Only 9.1% of those surveyed stated that women are part of the business ownership structure. In particular, cultural tourism is one of the great potentials for development in Kosovo, but it is used and promoted very little. Some cultural events are organized in different cities of Kosovo. These activities are mainly organized by civil society organizations and cultural operators and attract local and foreign tourists. One of the most influential annual events in Kosovo is the documentary film festival, Dokufest, in Prizren. According to festival statistics, about 10,000 people participated in the 2013 edition of the festival, where 23% of the total number of guests were foreign visitors. Research conducted by the GAP Institute during the tenth edition of this festival (2011) shows that the economic impact of Dokufest on GDP was € 3.1 million, while this number is expected to be € 21.9 million over the next four-year period.

Hypothesis H1 presents the assertion on the existence of a correlation between the impact of investors and the development of health tourism and hotels in Kosovo.

From the correlative analysis, these conclusions are drawn: the impact of investors has a positive linear relationship with the development of health tourism and hotels in Kosovo  $r = 0.295$ . The significance is 0.038.  $p < 0.05$  at the significance level 0.05. From this, it can be said that there is a significant relationship between the two variables.

In conclusion, it can be said that there is a significant correlation between the impact of investors and the development of health tourism and hotels in Kosovo. From these results, we can conclude that hypothesis 1 is approved.

Hypothesis H2 presents the statement on the existence of gender differences in the context of the impact of investors on the development of health tourism and hospitality in Kosovo. Through t-test analysis, it will be verified if there are gender differences between these variables.

Looking at the averages achieved by women and men, the results show that women achieve an average of influence  $M = 3.59$ , while men have an average of influence  $M = 3.68$ . The standard deviation for females is  $Ds = 0.52$ , while for males  $Ds = 0.21$  and the mean standard error for females is  $Gs = 0.18$  and for males  $Gs = 0.03$ . The significance is 0.412.  $p > 0.05$  at the significance level of 0.05. From this it can be said that there are no significant differences in the context of the impact of investors in the development of health tourism and hospitality in Kosovo, therefore based on these results we do not approve Hypothesis 2.



## **5. Conclusions**

The first challenge for the development of the tourism sector is the lack of official data and statistics. Therefore, the data are extracted from a range of sources to gain an overview of this industry. This is due, in part, to a lack of a common understanding of how different government agencies related to tourism. MTI has presented a list of businesses that are considered as subjects of tourism, but given the economic impact of cultural activities (festivals and similar events), a redefinition should be made to raise and expand this list of entities that are considered to be related to tourism. In addition, there is a consensus among sector experts and policymakers that as long as tourism is not considered a priority area, the development of the sector and its impact on Kosovo's economic growth will continue to be limited.

Tourism is governed by a central level law, but it lacks a development strategy. At the same time, the responsibility for the sector is placed under the Ministry of Trade and Industry and is managed by only three officials who also make up the Tourism Division.

Tourism has received limited government funding, as it is not a priority policy. With limited financial resources, the Government can not afford any proper assessment of the potential of tourism, let alone conduct feasibility studies and draft strategic plans. However, this shortcoming has been addressed with international funding provided by various donors who have supported a range of tourism development projects.

Kosovo lacks tourism investors and mid-level hotel and restaurant professionals. Managers running tourism businesses lack proper formal education, while mid-level staff usually consists of unskilled young people who do not have the opportunity for training and education. The low number of female business owners adds to the problem of educated managers, given that the current percentage (9.1%) is a large discrepancy with the percentage of the female population.

Some high schools in Kosovo have courses in tourism and management/hotel services, while three higher education institutions in Kosovo (two private colleges and a public university) offer tourism studies. The curriculum of university departments needs to be further improved to be more competitive and in step with modern international developments in this sector.

In general, Kosovo and most of its cities lack the necessary materials to promote tourism. The non-approval of the tourism development strategy has slowed down institutional coordination and has had an impact on tourism promotion initiatives, while many cities lack adequate tourist information points.

These challenges are not complex. Putting tourism at the top of the list of priorities in Kosovo's development strategy and public policies will inevitably have a positive impact on overcoming the many challenges identified in this report. The Government of Kosovo should consider tourism as a real potential for development and invite all relevant actors (municipalities, businesses, civil society, tour operators, etc.) for an inclusive policy dialogue that could produce an approach strategic for tourism development. The role of the newly formed Tourism Council in Kosovo is essential in coordinating the policy dialogue process.

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