

# CHALLENGES OF SUSTAINABLE TOURISM MANAGEMENT AT LOCAL LEVEL IN REPUBLIC OF MACEDONIA: THE CASE OF THE CITY OF BITOLA

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## ABSTRACT

Tourism, if managed sustainably, can become a self-financing mechanism for nature and culturally rich areas like Macedonia. The main aim of this article is to investigate and explain the main factors which impact the sustainability of the local tourism management in Republic of Macedonia, with special reference to the case of the city of Bitola. In this paper are presented the efforts of the city of Bitola to develop tourism through forming own local tourism management system. The paper presents the characteristics, the challenges, issues and opportunities in local tourism management in this city.

Key words: tourism management, local level, local government, sustainability.

### 1. Sustainable tourism development – local perspectives

In the more developed destinations, the responsibility of tourism development lies more and more with local authorities, as governance structures become more decentralized. Many important policies that have an effect on sustainable tourism development, such as zoning, environmental regulations, licensing, and economic incentives, are often in the hands of local authorities, acting within the framework of national policies and strategies. Local authorities are also privileged partners in sustainable tourism development efforts because they can negotiate and mediate among businesses, NGOs, and local communities in tourism destinations. When they legitimately represent the interests of their citizens, local authorities have shown they can provide effective leadership in sustainable tourism development. If we analyze the situation in Macedonia, we will notice that the focus is still pointed at the national level tourism organizations and their actions towards development of the tourism sector. Nevertheless, in the past several years, many local NGO's begun to take tourism promotion initiatives by implementing projects financed by foreign donor agencies. Generalized, these are all small scaled, short term projects with a local impact. Most of these project ideas were: improvement of environmental issues, promotion of rural and wine tourism and forming local Tourist Informational Centers (TIC). More precisely, TIC's were perceived by the local authorities as local offices through which ideas for local tourism development will be achieved. Using the grant possibilities offered by the foreign donor agencies, many civic organizations started with implementation of tourism related projects in several cities throughout the country. Table 1 below shows the main characteristics of the TIC structure in Macedonia 2009-2011. As one of the basic and most important activities that were planned for implementation in the National tourism Strategy 2007-2012 was opening of tourism info offices through the whole country. National bodies for tourism mostly

rely on the fact that local municipalities should lead the main initiatives for tourism development instead of waiting the National Strategy and policies to be implemented. Concurrently, there was neither permanent realization of the strategic plans nor any crucial policies. Regarding the national funding, only very small grants for NGO's are available.

Table 1.  
Analyze of the main characteristics of the TIC's in Macedonia 2009-2011

TIC's in Macedonia							
TIC's in 2009	Founded by	Financed by	Legal Status	No. of employess	Working months	Program activities	Municipality support
TIC Ohrid	municipality	self financed	private firm	5	all year	defined	yes
TIC Skopje	municipality	municiplaity	LED	1	all year	defined	yes
TIC Bitola	NGO	municipality	NGO	1	all year	defined	partly
TIC Mavrovo	NGO	National Park	NGO	2	all year	defined	no
TIC Krusevo	PPP	Private partner	private firm	2	all year	not defined	partly
TIC Matka	NGO	project	NGO	/	occaisonaly	not defined	no
TIC Kriva Palanka	NGO	project	NGO	1	/	not defined	no
TIC Dojran	municiplaity	municipality	LED	1	summer time	defined	yes
TIC Gevgelija	NGO	municiplaity	Foundation	6	all year	not defined	yes
TIC Tetovo	municipality	project	/	/	/	not defined	no
<b>TIC's in 2011 only in: Ohrid, Skopje, Mavrovo, Dojran.</b>							

Source: Project for supporting the networking between the TIC's in Macedonia, SNV, 2008-2011

The above given table shows that all of the TIC's are founded and function, differently. Most of them share the same problems such as: financial means, location problems, sustainability of the projects, employment problems, limited support by the local authorities, etc. These kinds of difficulties directly impact the quality of the work and services that they should provide, imply limited cooperation with the business sector and the wider environment such as different institutions connected to tourism and residents.

If we analyze the situation in 2011, it can be noticed that there is a huge stagnation in the development of these kinds of offices and the conclusion is that in Republic in Macedonia, there is no sustainable model for permanent functioning of these important local tourism organizations.

### 1.1. Identifying the main challenges for functioning of the local tourism organizations (TIC's) in Macedonia

The functioning of each TIC is a case for itself. Each of these offices operates in specific conditions and is faced with specific problems that pose an obstacle to the current operations and further development. However, there are problems that are characteristic for all of them. They are generally determined as follows:

- Spheres of action of the Tourist Info Centers are not clearly defined which is manifested by the absence of clearly specified activities;
- Unsatisfactory level of cooperation between the TIC and tourism business sectors, and prospective individual providers of tourist services as expressed in the absence of continued intensive communication and lack of formal contracts that clearly articulate the benefits, responsibilities and obligations (including financial) of each contracting parties;
- There is a lack of professional, motivated and skilled stuff;
- Permanent funding is mayor, if not the most important challenge for TIC's;
- Insufficient awareness of the local community about the importance of tourism development on the socio-economic life of local people and benefits from the existence of TIC as a key link in the complex tourism offer.
- There is need for expanding the number of tourist info offices in the local destinations;

- There is a lack of networking between the existing tourist info offices in Republic of Macedonia.

## **1.2. Recommendations for sustainable management of the TIC's in Macedonia**

Most of the municipalities in Macedonia in their Local Economical Development action plans identify tourism as one of the propulsive sectors for integrated development and emerging one as like a priority direction for development. Also, there is a broad consensus among the local governments, business sector and civic community about the positive effects that sustainable tourism development can cause to the overall development of the municipality.

Taking this into account, the long-term sustainability of the TIC's offices in Macedonia will greatly depend on the attitude of the creators and carriers of the tourism policy at the local level, or whether the efforts for promotion of tourism development will be declaring or really supported by concrete actions.

Namely, the success of these offices mainly depends on the way tourism will develop in future in the specific local areas and on the willingness for tourism development of the main decision makers in the municipalities.

It should be noted that the functioning of TIC it is not a goal for itself, but TIC is, or should be a part of more complex organizational structure (organization) which in its scope has the overall tourism management of the destination through creating a quality tourism products and structured tourism offer attractive for the domestic and foreign tourists and by doing so imply positive effects on the living standard of the local residents. Accordingly to this, TIC should function as a marketing entity of this organization.

Regarding the situation in Macedonia, this paper recommends that the TIC should function as an organizational unit in the frame of the legal entity with public character i.e. should be part of the public administration.

The main aim of the function of a tourist info office is to improve the general conditions for the stay of the tourists as well as to design and implement specific types of tourist services and realize the general tourist promotion aimed at strengthening the image and performance of the municipality/region as an attractive tourism destination.

For successful realization of the main objective of a tourist info office, various areas of activities should be covered. The main areas of activities of the TIC can be distinguished to:

1. Marketing & promotion
2. Delivering information and additional services
3. Managing of an integrated web portal

Each of the main areas of activity should be performed within individual sectors of the TIC, and the organizational structure should consist of several offices alike/information points located on the frequent and accessible locations.

The stuff that is going to be engaged should possess required knowledge and skills for successful performance of the activities included in the description of their job. The best solution is that these employees are part of the municipal administration with no exclusion of the possibility for outsourcing.

Cooperation with the potential subcontractors should be based on a voluntary basis, but formalized through contracts that clearly define the benefits and obligations of contracting parties.

In this context, the operation of tourist inspection should be organizationally dislocated from TIC, in order to avoid the feeling of coercion and mistrust between the TIC and its associates, or partners.

Also, in function of the sustainability of the TIC, the establishment of cooperation between the offices at the national and regional levels is a must, as well as the collaboration with similar institutions in the country and abroad. Thus would allow the promotion of common interests, would give joint market approach and cooperation in the creation and distribution of regional packages, contributing to transfer of knowledge and experience and eventually sometimes direct help in the working of a TIC office.

Recommended models for resolving the financial problems are by: self-financing and usage of the tourism tax benefits for the purposes of tourism activities instead of dislocation of them for different needs of the municipalities. In the case when a tourist info office is involved in some project, securing the sustainability of it should be done from municipal annual budget.

## **2. Destination planning: The Case of the city of Bitola**

## **2.1. The role of local authorities in sustainable tourism**

Traditionally, tourism development has depended on initiatives taken by the private sector. In many countries local authorities have not been closely involved in tourism and have little experience of its planning, development and management. In recent years this has been changing, and the key role of local authorities is now recognised. This is due to:

- The complexity of the tourism sector, where it is the consumer who is brought to the product and not the other way round, as happens with most other goods and services.
- Increasing awareness that tourists select and respond to destinations, not just individual products. The visitor experience is made up of a complex range of elements including expectations, transport, information, accommodation, attractions, activities, local infrastructure, natural environments, cultural heritage, a welcoming host population, security and other services.
- The disparate nature of the private sector in tourism, much of which comprises small and micro enterprises.
- Acceptance that, in the interests of sustainability, public authorities need to be involved in regulating tourist development in destinations, and not simply leaving it up to the laws of the market.
- The trend towards administrative decentralisation underway in many countries, which increases the ability of local authorities to intervene.

Local authorities are often the best placed organisations for establishing a sustainable approach to tourism in destinations, setting a strategy and balancing the interests of tourism enterprises, tourists and local residents. Their ability to manage tourism sustainably is related to:

- Their democratic legitimacy;
- Their relative permanence and ability to take a long term view; and
- Their responsibility for a range of functions that can influence tourism development, including spatial planning, development control, environmental management and community services.

## **2.2. Efforts of the municipality of Bitola to develop tourism management**

Municipality's Strategy for local economical development 2008-2013 identified tourism as one of the five priority sectors for development. Regarding the above mentioned and having some experience in tourism, a small team of professionals gathered to make a brand new concept for tourism organization which will function as a destination management organization obliging the municipality to start the proactive way of promotion and development of tourism in Bitola. Having on mind the 4 years of existence of the Tourist Info Centre-Bitola and already gained knowledge about the problems, issues and needs, the team started a project for creation of a 5 years Strategy for development of tourism in Bitola, 2009-2014. This project was funded by the Cards Program, European Union, funds for cross-border cooperation Macedonia-Greece, titled: "Emergence and promotion of culture and tourism resources between Bitola and Florina".

### **2.2.1. Preparation phase and implementation of research**

In the preparatory phase research of local resources was done as well as theoretical data analyzed, literature consulted and needed information gathered. Several researches were planned, making a SWOT analysis upon the delivered results and creation of the 5 years strategy. The research team realized 5 research questionnaires emphasizing different areas, such as follows:

1. Profile of Bitola in terms of tourism
2. The role and undertaken activities of the municipality in the area of tourism
3. Tourism stakeholders opinions
4. The conditions and opinions of the economic sectors relevant for the tourism industry
5. The opinion of the local population
6. The opinion of the tourists

The research was done from April to September 2008 and 530 individuals/firms were examined and the answers professionally analyzed.

### **2.2.2. Analysis of the performances of the tourism sector on a local level**

Upon the delivered data from the research questionnaires and using the analyses of the circumstances in the tourism in Macedonia, the project team came to the following findings:

Table 2.  
Analysis of the performances of the tourism sector in Bitola

Performances of the tourism sector in Bitola 2008-2009
Public and private investments in the tourism infrastructure are on insignificant level
Unsufficient cooperation and coordination within the tourism sector
There are no strategic and action plans on a local level
There is a lack of specific body or department which will do the planning, management, implementation of the action plans and coordination of the tourism sector in the municipality
Bitola has significant tourism potentials which are partly or no used at all, and can be developed more in future
There is a lack of adequate support for the entrepreneurs in the tourism sector
The municipality is redy to support long-term development of tourism as its strategic area
Bitola has abundance od natural and cultural resources. Cultural tourism has the priority
Geographical position and transport accessibility are on of the important advantages
The bigger number of visitors in Bitola are the domestic ones, and from the foreign visitors, visitor from Greece are predominant
The average duration of visits for the period 2005-2007 is 2.38 days. The length of the visit has continuous growth in domestic and foreign visitors with an average of 8%
The main touristic season in Bitola is summer when a lot of Macedonian immigrants come to visit their relatives
The biggest part of the tourist organized their travel by themselves. Only 1.5% used Bitola's travel agencies services. 69% of the examined tourists used own cars, 27% traveled by plain, and 24% used bus as travel mean
Only 7% used the train. 68% used the road Skopje-Bitola and 28% Ohrid-Bitola. 34% of the tourist used accommodation facilitie
Every third tourist showed dissatisfaction by the accommodation services and their stuff
72% of the examined tourists prefer to eat Macedonian traditional food. 77.7% were satisfied by the restorants they have been into and only 3% complained about the quality of the food
Tourist think that Bitola must have: improved promotional materials, tourist signage, better location of the Tourist Info Centre, more information on tourist guides, improved public transport and linkage with the nearby villages, improve the city hygiene, visible night life offer
Tourist noticed that they lack organized tours in the city and nearby attractions, rent a bikes and motorcycles
From the list of good impressions, the most were about: the affordable prices, the old bazaar, the unique promenade, the antique city, the mountain Pelister, the ambient and hospitality of the city
In the next period the focus should be on encouraging the private sector to get involved in the development of tourism in the municipality of Bitola, utilizing the existing potentials as basis for creation of new tourist products

Source: Strategy for tourism development in Bitola 2009-2014

Regarding the current situation in tourism it seemed logical to expect that the proposals for mid-term tourism development will relate to the creation of preconditions that would make Bitola a tourism destination and contribute to its competitiveness on the tourism market.

The strategic plan is developed by the top-down approach: vision, guiding principles, strategic goals, concrete aims, activities (programs and projects).

In accordance with the local economic development vision of the municipality of Bitola, the tourism vision is set as: *Municipality of Bitola and its rich natural environment is a new competitive destination in the Balkans with hospitable tourist infrastructure, dynamic tourist offer derived from the millennium crisscrossing of eastern and western civilization.*

### 2.2.3. Basic principles (values)

Basic principles which were identified and widely accepted by the participants which prepared the strategy and upon which the strategy will be set as well as the future local tourism management will follow, are:

1. Sustainable tourism
2. Profitability
3. Selective/prioritized investments
4. Targeted marketing
5. Public-private partnership

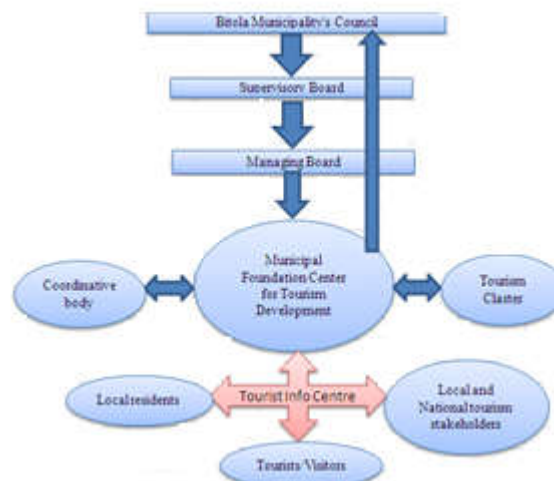
In order to provide significant and sustainable increase in revenues from tourism, in addition, following the five guiding principles, a five core areas of intervention were proposed whose goal is to systemize the work in the process of realization of the strategy. Those are:

- Management and coordination
- Development of tourist products
- Improvement of the infrastructure
- Tourism marketing
- Quality guarantee

Interrelated with these prioritized areas, 5 strategic goals were set and the first action plan 2009-2011 was proposed.

### 3. Creation of a new tourism organization

All of the relevant tourism stakeholders which were questioned have the need of a specific body that will handle with all of the issues and problems regarding the promotion and development of the tourism in the city. Thus, the strategy planners suggested opening a new tourism organization which will have the role of a destination management organization and will be responsible for implementing the strategy and realization of the action plans. So, in 2010, Municipality of Bitola founded a new organization: Foundation – Center for Tourism Development, responsible for implementing the Strategy for tourism 2009-2014. The concept of functioning is described as follows:



As founded by the Council of the Municipality, the action plan/annual program of working and the budget depended on their approval. The Foundation started to work on 9 programs (defined in the first Action plan 2010-2011), such as:

- Program for partnership and collaboration
- Program for raising the local awareness about the benefits about developing tourism
- Program for strengthening the human resources capacity and knowledge in tourism
- Program for development of integrated tourism offer
- Program for revitalization of cultural heritage

- Program for improvement of the accessibility to Bitola's tourist attractions, and
- Program for establishing quality standards of the tourist services on a local level

For the realization of these programs and all of the projects were allowed only 2 employment positions. The budget was estimated on 100.000€ and was approved to be given directly from the annual Municipal budget. Beyond the approval from the Municipal Council, the Foundation was dependant on the decisions of the Managing Board (consisting of 5 members) and the Supervisory Board (consisted of 3 people, representatives from the municipal council).

Also, forming a Coordinative Body was planned in which members were appointed under the Mayor's recommendation. The members in the Coordinative Body supposed to be directors or their representatives of the public services companies and work on voluntary basis, representing the public interests. The role of this body was the public service companies to be well informed and involved in the tourism projects related to their scope of work. Also, this was a way to educate them about their important role and necessity in development of tourism on a local level.

Tourism Cluster was formed under the initiative of the Foundation and gathered all of the interested tourism businesses as well as different kind of organizations, NGO's, institutions, individuals, so they can all debate, fight for their businesses, give suggestions and influence the work of the Municipality in the area of tourism. The Tourism Cluster in Bitola was the first officially registered tourism cluster in Macedonia. This kind of concept was unique and implemented for the first time in Republic of Macedonia.

#### **4. Problems**

The problems that occurred in the functioning of the Foundation and influenced the quality of the realization of the projects were:

1. After a few months, Municipality cut off 75% of the budget planned for the Foundation;
2. Municipal Council reduced the Program for working 2010 on only 5 projects;
3. No allocated fund for 2011;
4. Lack of understanding of the local government obligations for development of tourism by the main decision makers in the municipality;
5. Lack of knowledge and professional debate about the tourism in general between the members of the municipal council;
6. Number of employees reduced only to 1 person;
7. Tourist Info Centre was closed after the Foundation was opened due to a lack of understanding about the difference between the types of tourism organizations.

Due to the fact that this concept was "not understandable" for the wider local community, decision makers, tourism businesses and there was no proper accountability, the best solution is that the Foundation Centre for tourism development to be transformed into *department of tourism* under the Local economic development department in the frames of the Municipality of Bitola.

#### **5. Conclusions**

In Republic of Macedonia there is no sustainable model of functioning of the tourist organizations on a local level. There is a lack of existing tourism professional organizations on a local level due to a problems and issues from different nature.

The issues of concern associated with sustainable tourism management are: unequal distribution of direct tourism benefits and any moderate tourism income retained at the local level; limited local skills and knowledge on tourism management; political influences; low level of awareness at the local communities about tourism; low level of understanding and cooperation between local governments and tourism business sector; non structured relations between national and local level etc.

Public authorities in Republic of Macedonia need to be involved in regulating tourist development in destinations, and not simply leaving it up to the laws of the market.

Destination management is not a static framework but rather a cyclical and continuous process that requires ongoing management, monitoring and improvement.

The tourist destination management organization takes the entire responsibility for the tourist products of the whole destination, for their development through controlling, encouraging and other means and for the development of a partnership that is able to provide positive experience for the tourists.

Tourist destination management has to be an independent organization with the suitable competence, means and experts to be able to perform its involved tasks.

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