

Hospitality and Tourism in Transition in Central and Eastern Europe

Hospitality and Tourism in Transition in Central and Eastern Europe:

A Comparative Analysis

Edited by

Maria Vodenska

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FOREWORD

Through their own initiative, eleven members of the “Fondation Family” have undertaken to chronicle the hospitality and tourism changes over the 1990-2015 period following the fall of Communism in their countries. While we live in a world in which change is ever quickening, one could scarcely have imagined what was to happen in the intervening quarter century so lucidly described by the members from within.

The INTRODUCTION which follows prepares the reader for a fascinating read – one which lends credence to the validity of democracy, as imperfect as it may be, in comparison with the alternatives experienced by civilizations over eons past.

The Fondation is very pleased to see this initiative emerge, inspired and described by those who have lived through the transition, increasingly *au courant* with the benefits and follies of the world’s market economies. We are confident that our members will continue to march forward with best efforts to educate the next generation of hospitality managers in their countries and we will continue to support them to this end.

Victor Emery, MBA Harvard, April 2018
Founding Trustee and Treasurer,
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Second, we are very grateful to the FH Board, assisted by Nestlé Pro Gastronomía Foundation through their Executive Director Christian Perrette and his assistant Micheline Asfa-Vaudroz, for their backing and financial sponsorship that have enabled the development and conduct of the constituent research in the 11 participating partner countries.

We also extend our sincere gratitude to Margaret Georgiou, Executive Administrator of the FH Board, for her dedicated, extremely competent and very professional assistance and encouragement.

The book would not have been possible without the efforts and the hard work of its authors – 35 researchers and university lecturers from 11 countries have contributed to make it a leading example of cross-boundary co-operation in the field of hospitality and tourism research. Here, only the names of the eleven national coordinators, whose task was to coordinate each of the chapters, are mentioned: Albania – Esmeralda Shkira; Bulgaria – Maria Vodenska; Croatia – Milena Peršić; the Czech Republic – Zdenka Petrů; Hungary – Klára Morvay Karakas; Latvia – Daina Vinklere, Macedonia – Mirjana Sekulovska, Montenegro – Andriela Vitić-Četković, Romania – Valentin Nita, Serbia – Bojana Kalenjuk, and Slovenia – Miha Lesjak.

The concentrated and precise efforts of Melanie Smith and Matthew Yap who were involved in the final proofreading and standardisation of the text were exceedingly helpful and duly appreciated; each had their specific tasks and they deserve praise for their dedicated hard work.

Special thanks are addressed to Elizabeth Ineson for her continuous support and commitment to the project throughout the whole process of its implementation.

Maria Vodenska

INTRODUCTION

Dear readers,

The book you are holding in your hands is the result of the joint efforts of hospitality and tourism academicians from 11 countries in Central and Eastern Europe, united by their mutual aspiration for a better and improved quality of hospitality and tourism education in the colleges and universities of their home countries. All these people are members and partners of La Fondation pour la Formation Hôtelière (FH), based in Switzerland, which for more than 20 years has supported the development and the evolution of hospitality and tourism education in 39 educational institutions in the following countries: Albania; Bulgaria; Bosnia and Herzegovina (Republica Srpska); Croatia; Czech Republic; Estonia; Hungary, Latvia; Lithuania; Macedonia; Moldova; Montenegro; Poland; Romania; Russia; Serbia; Slovakia, Slovenia; and Ukraine. After many years of coaching and training using various tools such as training seminars for lecturers and hospitality and tourism industry personnel, publications, provision of hospitality facilities, book donations, the organisation of and participation in various conferences, culinary festivals, etc., the idea of a joint publication was put forward and accepted by FH, and the FH partners were invited to contribute.

A project proposal was developed by Bulgarian academicians and was approved and financially supported by the FH Board of Directors. An extremely interesting time period was chosen – the transition of these countries from centralised to market economies. The proposal included a mapping of the chapter content, with suggested indicators and issues that needed to be highlighted in each country's contribution.

The analysis aimed at revealing hospitality and tourism development in the studied countries during the period of transition (1990-2015). First, various aspects such as supply (including resources, accommodation, transport, and services et al.), demand (in all its spatial and structural aspects), marketing, management, tourism impacts (economic, social and physical), seasonality, etc., are analysed, country by country. Then, to examine and consider the impact of the period of transition as a whole, a comparative analysis is conducted, indicator by indicator, and general conclusions are drawn.

Special attention is given to the changes in hospitality and tourism education in these countries during the period of transition, with a final emphasis on the role of FH activities, initiatives and funding in the development of education and training.

The key research questions addressed in the text are:

- What happened to hospitality and tourism in the Central and Eastern European (C&EE) countries after the turmoil of 1990?
- Are the changes in hospitality and tourism development and policy positive or negative?
- Are the C&EE countries following a similar developmental path, or are there any differences? If the latter, what are the causes of the differentiation?
- What is the impact of the above changes on human resources in the hospitality and tourism industries? How are these changes being addressed by individual companies, tourism policies and educational policies?
- In this developmental context, which FH activities have contributed to positive change?

The analytical structure for each country includes:

1. Introduction
 - General information about the country
 - Political structure; important changes
 - Administrative-territorial structure; important changes
2. Hospitality and Tourism Development and Importance
 - Historical development of hospitality and tourism until the beginning of transition (e.g. main features and trends up to 1990)
 - Hospitality and tourism; economic importance; percentage of GDP and of overall employment; time dimensions; see for e.g. the WTTC reports
3. Tourism Demand; changes during the Transition Period (spatial, temporal, etc.)
 - Structural characteristics and their dynamics in the period of transition
 - Main tourism markets and their changes during the transition period (e.g. top five markets)
4. Hospitality and Tourism Supply – changes during the transition period (spatial, temporal, etc.)

- Main services, transport, accommodation, and catering
- Tourism packages and their changes during the transition period.
Dynamics in the supply chains and their functions
- 5. Tourism Types (products) and Destinations
 - Hospitality and tourism personnel
- 6. Tourism Policy, Planning and Management
- 7. Tourism Impacts and their Manifestation in the Transition Period
 - Economic
 - Social
 - Physical
- 8. Hospitality and Tourism Education
 - Situation before the transition period
 - Changes in the transition period
 - FH impact on these changes; which FH partnership activities have brought about changes in the educational process?

All FH partner countries were invited to take part in the project on a voluntary basis; eventually 11 countries (more than half of all partner countries) – Albania, Bulgaria, Croatia, the Czech Republic, Hungary, Latvia, Macedonia, Montenegro, Romania, Serbia and Slovenia took part in this analysis, which is the first of its kind in Europe. The main advantage of the book is that the analysis of each country is done from the inside – by native hospitality and tourism researchers and specialists. Another special feature is that it is a brilliant example of the understanding and cooperation of hospitality and tourism educational institutions across international boundaries.

The comparative analysis revealed many common features in the development of hospitality and tourism over the study period in most of the researched countries but it also revealed many differences. Their analyses, with further explanation and justification, are not the subject of this publication but the topic is ripe for future researchers.

This book is designed to address a large audience of lecturers, researchers, students and managers in hospitality and tourism across Europe and worldwide in addition to any individuals who are interested specifically in the general and specific development of C&EE countries during the transition period.

Enjoy your reading!

Sincerely yours,

Maria Vodenska, Bulgaria

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1. Introduction

1.1. General information

The territory of the country measures 25,713 km². In the north it borders Serbia and Kosovo, in the west Albania, in the south Greece and in the east Bulgaria. It is situated between 40° 51' and 42° 22' north latitude and 20° 27' and 23° 05' east longitude.

The population that permanently resides in this territory, according to the last census is 2,022,547 inhabitants from diverse ethnic groups. The Macedonian population prevails with approximately 64% of the total number, but multi-ethnicity represents a solid basis for a rich ethnographic capacity which is included in the tourism offer of the Republic of Macedonia (Marinoski, 2008a). The city population is 59.78% of the total population.

The economy experienced a radical change in its conditions. The most significant structural change in the economic system was the transition from socialist self-governing to capitalism, which led to a change of ownership from social to private and a clear determining of the title of ownership. Economic processes emphasised privatisation as the basis of the transition process. Unfortunately, the transition was implemented in a way that many companies and economic systems from the real sector were made bankrupt and liquidated and the overall economic conditions instead

of being promoted, demonstrated a remarkable reduction in their development. The downturn of the economy meant that tourism development could not be supported. The decline of the population's standard of living affected the mobility of domestic tourists and the decline of the domestic tourism market.

Furthermore, it is a fact that these processes of liquidation contributed in the Republic of Macedonia to the increase in unemployment. A large number of employees in the industry lost their jobs so they were forced to be engaged in other activities.

Gross Domestic Product (GDP) is an important indicator of the economy of the Republic of Macedonia. According to data of the State Statistical Office derived from the annual accounts from business entities and other sources, the gross domestic product in 2014 amounted to 525,620 million denars or 9,727 million US \$ while compared to 2013 it increased by 4.7%. The real growth rate of GDP, compared to 2013 was 3.5%. The final expenditure in 2014, compared to 2013, increased by 1.9% and in the structure of GDP it accounted for 86.8%. The share of exports of goods and services in GDP in 2014 was 47.8% (State Statistical Office of the Republic of Macedonia, n.d.a).

Tourism resources of a natural and cultural character are abundant in the region. The *natural values* have basic, complex and complementary features. Mountains represent exceptionally significant tourist potential. The hilly to mountainous area accounts for 92.2% of the country's surface area. The average height of the country is 1,404 m above sea level. The country is mountainous with the highest peak measuring 2,764 m. There are 34 mountains on which there are 6 major winter sports centres. Equally attractive are the 14 larger gorges and canyons. As well as inactive volcanic landscapes there is one active solfatara. The climate is generally continental, whereas in the mountains it is a mountain climate and towards the open space of the Aegean and Adriatic Seas the climate is Mediterranean. The Republic of Macedonia is landlocked, but there are tectonic, glacial and artificial lakes. The river network consists of three major river basins whereas thermo-mineral springs represent the basis for locating 8 spa centres. There are plant species that are characteristic for the Mediterranean and the Euro-Siberian regions. Forest areas and forest land form a total of 1,288,915 hectares, or 50% of the country's complete territory. The most significant protected areas are the 3 national parks. The wildlife which forms the base for hunting activities is represented by mammals (mammalia) and birds (aves). There are a total of 47 registered hunting associations, which have their own hunting areas. Nine major

fishing centres are located by the rivers as well as on the shores of tectonic and artificial lakes (Zikov & Vasil, 1997).

Cultural tourism resources are represented by a rare abundance of archaeological sites that date back to the Palaeolithic, Neolithic, Eneolithic, Bronze and Iron Ages, as well as to the period of ancient Roman culture, to the early Christian period and to the Middle Ages. Churches and monasteries are a real treasure and an important destination for visitors. They date back to the IX and XIX centuries. Mosques date back to the XIV and XIX centuries. Secular architecture is represented by the built fortified cities, towers, bridges, bazaars, inns, baths and palaces, cultural monuments in the form of urban architecture and distinguished urban settlements and individual houses, monuments and memorials – landmarks from recent history, museums and cultural centres, theatres, universities and major libraries, cultural or sports halls and archives. Ethnographic values and traditions include architecture, traditional economic activities, crafts, food, folkloric clothing as well as folk songs and dances. The most important events are the cultural, entertainment, sports, economic and scientific events.

The political structure of the Republic of Macedonia has undergone significant changes. The country went through different political systems. After the Second World War, it was a part of the Yugoslavian federation, so the policies were mainly made at the central level whereby the republics aligned their decisions to the federation and suggested their own individual policies to the Central Committee of the Communist Party and to the bodies of the federation. The political system was characterised by statist and socialist characteristics although the beginnings of the self-governing system were introduced in 1953. Significant changes occurred in 1974 when the self-governing system adopted a greater decentralisation and increase of the individual powers of the republics. During this period the Republic of Macedonia gained more autonomy. There was an improved decentralisation of power towards the local level so that the municipalities also became a significant political structure within the country. Starting from 1980, the Republic of Macedonia entered a transition period which resulted from the breakup of Yugoslavia. It was the only Yugoslavian republic that peacefully gained its independence. Since 1991, the country has been an internationally recognised state and a member of the United Nations (UN). In 2001, a military conflict occurred that was relatively quickly resolved by the signing of the Ohrid agreement. This agreement, among other solutions, allowed minority communities to participate according to the representation of the overall population in the state administration.

The administrative-territorial structure of the state underwent significant changes which were in line with the autonomy and transition of the self-governing system towards the capitalist system. The separation of the legislature from the executive and the judicial authority was guaranteed by the constitution. The single party system transformed into a multi-party system and the rule of law was established. State governing was a parliamentary democracy. The highest legislative authority was the Parliament in which representatives were elected by parliamentary elections. It elects the Government of the Republic of Macedonia. The President of the country is elected by direct elections, leads foreign policy and is the commander-in-chief of the armed forces. The Ministries, besides participating in the decision-making of the government through its ministers, also have regional and local departments in major community centres through which operationally they implement state policies.

The local departments for self-government in the country have an important place in the economic and social development of the country. They decide on the local infrastructure and its improvement as well as on the adoption of spatial and urban solutions that are of great importance for the development of tourism. The bodies of local self-government are managed by the mayor who is elected through local elections. The mayor presents his plans and their implementation to the Council which adopts these documents. The council members are also elected through local elections. In a political sense the local departments for self-government are autonomous in their decision-making. At state level, they are organised into the Association of Local Government Units – ZELS, which plays a significant role in inter-municipal cooperation as well as presenting to state institutions when they have common interests.

At regional level, regions exist in which all municipalities are grouped. They are managed by Centres whose executives are elected by representatives of the units for local self-governance. They also enable the balanced economic development of the Republic of Macedonia and they do not have executive authority.

In a political sense, numerous changes have taken place in the Republic of Macedonia. The country went from a socialist to a capitalist system, public ownership changed into private ownership, and the federal structure transformed into a unitary state. The country also had many turbulent periods of gaining independence and military conflict in order to establish a multi-party system and a general policy towards Euro-Atlantic integration processes. The legislature is separated from the executive and judicial autonomy. Representatives are elected through parliamentary elections as members of the Council which is appointed by the

Government of the Republic of Macedonia. The President is also elected through presidential elections. Regions are established as functional territorial administrative units. The decentralisation processes in an administrative sense, are realised by the Mayor and the Council for local governance who are also elected through local elections.

2. Hospitality and Tourism Development

2.1. Tourism development before the transition

The pre-transitional period was from 1980 to 1990. It is also the last period before the Republic of Macedonia gained its independence as a sovereign state, which was recognised by the United Nations Organisation. Tourism in this period experienced the highest level of development. The numbers of tourists reached the highest figures. The total number of tourists and visitors in 1987 was at a record high and consisted of 1,183,160 with an index increase of 165 compared to 1976. The number of domestic tourists in 1986 was 508,903, a record high for the entire period of tourism development in the Republic of Macedonia. The increase of the index was 193 which was an increase of almost twice the value compared to the basis year of 1976. During this period, tourist arrivals achieved the best results for foreign tourists, reaching a total number of 257,968 in 1990. A record number was achieved in 1987 with 450,661 foreign tourists coming from the countries that belonged to the Socialist Federal Republic of Yugoslavia (SFRY). This year can be considered as a record year for the number of overnight stays for domestic tourists as well as for foreign tourists from the republics of the former SFRY as well as from other foreign countries. These results are considered to be a planned achievement by the government in its strategic documents.

The final years of this period were characterised by turbulent political processes. During this period the transition process began which resulted in a decrease in the overall tourist mobility of the population from the countries of Yugoslavia and in this context, also the population from Macedonia. Therefore, there was also a reduction in tourist turnover. Significant stagnation occurred in the domain of tourism infrastructure. The number of available tourist beds decreased. In 1990, there were a total of 82,411 beds and in 1988 a record total of 85,284 beds. This number was not reached in the last 25 years of the country's development of tourism (Panov, 1976). Overnights generated by tourists in the 1990s had an average number of 2,542,562. During this period, there were 436,286

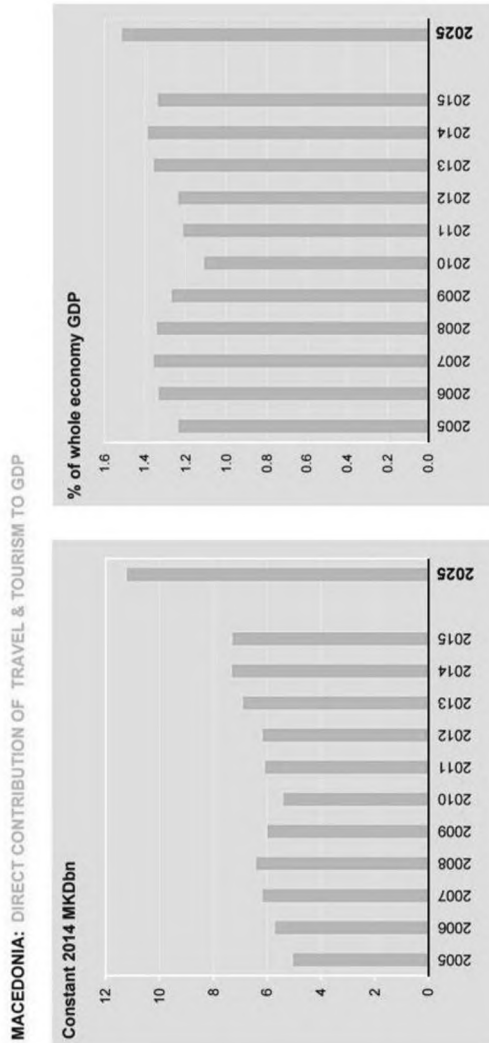
people employed in tourism (State Statistical Office of the Republic of Macedonia, n.d.b.).

2.2. The economic importance of tourism

The importance of tourism for the economy is reflected in its share of the total GDP and the total employment of the country. In this sense, significant improvement has not been achieved. The contribution of tourism to the GDP of the Republic of Macedonia in the 1990s was 1.3% (the last available information was for the period 1997-2000 in Petreska, 2013). The direct tourism share in the GDP is represented by Figure 1. The figure contains parameters for the direct share of tourism in the GDP in denars and its percentage share. The following changes can be noticed. In 2005, the direct participation of tourism was realised which was 5 billion denars or 1.2%. In 2008, it increased to a total of 6 billion denars, or a share of around 1.35%. After that, in 2010 a decline happened and the achieved level was the same as in 2005, and in 2015 it reached about 7 billion denars or a share of about 1.4%. The generated revenues in 2015 from tourism amounted to 240,672,000 USD, while the total expenditures were 155,237,000 USD. The net revenues from tourism amounted to 85,435,000 USD.

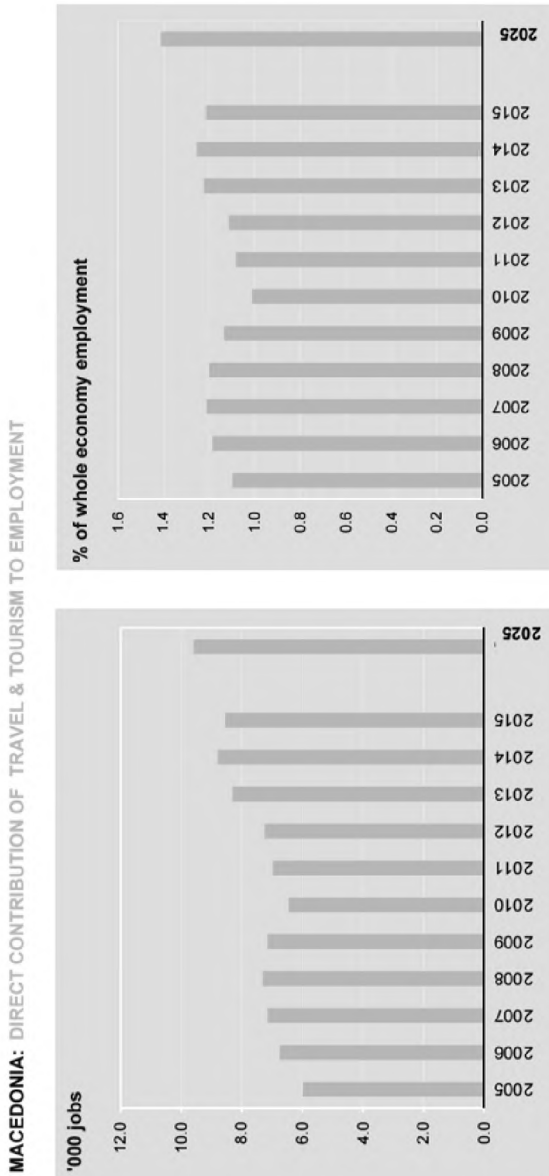
The contribution of tourism to the total exports of the Republic of Macedonia in 2015 was 5.6%, while the total contribution to GDP was 5.6%. The share of tourism in employment is given in Figure 2.

Figure 1. Direct Share of Tourism in the Gross Domestic Product



Source: World Travel and Tourism Council (2015)

Figure 2. Share of Tourism in Employment



Source: World Travel and Tourism Council (2015)

From the figures a similar contribution of the share of tourism in employment can be seen as the share in the GDP of the Republic of Macedonia. A total of 6,000 workers were employed in 2005 with a percentage share of 1.1%. In 2008 significant growth was recorded, and in 2010 there was a decline to almost the same level as in 2005. After that, in 2014 significant growth occurred, which reached about 7,000 employees, or a percentage share of about 1.2%.

The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts) was 33,000 jobs in 2014 (4.7% of total employment). This was forecast to fall by 3.3% in 2015 to 32,000 jobs (4.5% of total employment) (World Travel and Tourism Council, 2015). The increase of the absolute and percentage share of tourism in the Gross Domestic Product and in employment is due to the undertaken measures of subsidising foreign tourism by the government in the period of 2013-2015.

Changes in tourism development occurred because of historical circumstances, political conditions and economic reforms. The beginnings of tourism development are registered only from the period before World War II when the Republic of Macedonia did not have state-territorial status. In this period the first organisational structure and the first forms of intermediaries in tourism were established, the first accommodation facilities were built and the first promotional materials were published. The first tourism trip was organised in the form of a students' camp. In the year 1953 with the introduction of the self-governing system, the general policies referred to domestic tourism, while foreign tourism almost did not exist. In the period until 1963, significant measures were introduced, such as premiums and incentives for attracting and accepting foreign tourists. These incentives resulted in an increase in the number of beds and intensive growth of the tourism market at different levels.

The fatal earthquake that took place in Skopje in 1963 slowed down the intensity of tourism development. However, tourism development in the following period showed significant results. The strengthened grants for investments, the approval of construction loans and the purchasing of tax incentives should be highlighted as significant and positive measures. Measures related to the opening of the country towards other countries included convertibility of the currency, loans and so on with foreign countries, as well as independence in the repayment of external debts and the construction of accommodation facilities for foreign tourists. Tourism could be seen as a factor of increasing incomes of foreign exchange, with tax and credit policies that stimulate foreign and Diaspora investments, charging for tourism services in foreign currency and defining a certain

quota for purchasing foreign currency. The planned development of foreign tourism also included changing the parity of dinar taxation incentives, enabling loans from abroad and introducing beneficial interest rates.

These measures resulted in the overall development of tourism until the transitional period. In the period from 1980 to 1990, the most significant results were achieved in the country's tourism development. In the history of tourism development of Macedonia record results were achieved in 1987.

3. Hospitality and Tourism Demand

The transition period lasted a relatively long time from 1990 to 2016. This period coincided with the independent development of the Republic of Macedonia. Changes during the transitional period which followed tourism development were the result of numerous social, economic and political changes. The following were characteristic of this period:

- Armed conflicts within the immediate surroundings of the Republic of Macedonia;
- Blockades and sanctions;
- Privatisation and unsettled ownership relations;
- Military conflict in the Republic of Macedonia; and
- Organisational restructuring.

Armed conflicts which occurred during this period happened while the Republic of Macedonia became an independent state and was accepted by the UNO. Although no war happened, during the process of disintegration of the Federation, war was still in its immediate vicinity which had a significant impact on tourism development. Many countries located the space of the Republic of Macedonia in different areas, which paralysed the tourism market towards foreign tourists. This situation very negatively affected tourism in the Republic of Macedonia for a longer time period. Although there was no immediate risk, the proximity of military conflicts deterred tourists from visiting the country. Tourists from the emerged states of SFRY reduced their tourism mobility, some because of their involvement in armed conflicts and others because of the political misunderstandings.

Blockades and sanctions were factors which characterised the transition period. At this time, Greece started a blockade of the border with the Republic of Macedonia, which had a negative impact on the circulation

of tourists and goods. This reflected directly on the visits and stays of tourists from this country, and immediately created a sense of political instability. Sanctions were imposed on the Socialist Republic of Yugoslavia that paralysed the flow of goods and tourists, so that a large number of people who had regularly visited Macedonia previously, stopped travelling. This continuity could not be preserved. In addition, Yugoslavia imposed outbound taxes on its citizens, which further contributed to reducing the tourism trade of the country.

Unresolved property relations over a longer time period had a negative impact on tourism development. During this period, social development was based on privatisation. This process of privatisation could not be performed in a relatively short time; therefore a certain degree of stagnation in the development of the economy occurred, as well as in the context of tourism development. Unlike many other industries, the period of transition in tourism did not contain rapid change. During this period, the number of tourism companies increased significantly while the existing catering enterprises transformed from social ownership into limited liability companies and shareholding companies. But despite the absence of negative impacts in hospitality and catering businesses, the interest of foreign tourists in visiting the Republic of Macedonia declined. Because of the increase of unemployment and the increase of inhabitants that received social welfare, a decrease in the number of domestic tourists occurred.

The transitional process and the privatisation in tourism started because of the assumption that they would enable an inflow of foreign capital. However, in the period from 1990 until 1997 foreign investments in this sector were only symbolic. The reason for such relations should be sought in external influences, especially in the political sphere. It is evident that the absence of foreign investment had a negative impact on tourism development. The armed conflict in Macedonia in 2001 further jeopardised the planning of dynamic tourism development. The consequences were a decline in turnover due to safety reasons, weak investment activities, and thereby a reduction in the number of available accommodation facilities. Organisational restructuring significantly influenced tourism development. Namely, because of the dissolution of the Federation, the tourism organisational structure operated in a horizontal and vertical sense. In this way, it was possible to establish the links which enabled the functioning of organisational systems in tourism.

With the dissolution of the Federation the functioning of the Tourism Association had only marginal significance. At the same time, tourism offices abroad stopped operating, so that their role was undertaken by

certain representatives of various economic entities. Their role could not be identified with the role of the tourism offices. The Tourism Directorate was established by Law, which planned to take over certain authorities. Today the support and promotion are carried out by a specialised agency at state level. Various projects and strategic documents are realised within it. The agency also has a role as an implementer of measures for subsidising foreign tourist visits and stays.

Structural characteristics and their dynamics included conjuncture of the whole transition period from 1995 until 2015. Analysis should take into account the achievements during the pre-transitional period and on that basis, the positive and negative changes after the transition are to be identified. Tourism visits and tourism turnover in the Republic of Macedonia reflect the characteristics of tourism development of the transition period. This development period lasted from 1990 to 2015. The changes in this regard were the rapid decreases in the numbers of visitors. This primarily refers to the total visits, the visits by tourists from the former countries of SFRY as well as other foreign countries. The indexes showed a decrease in the first five-year period, or they were 63% lower than the total tourism visits, 40% of foreign visits by tourists from other countries and 27% of visits by tourists from SFRY.

The level of 1987 was not reached again throughout the total development period. On the contrary, a permanent reduction in the number of visitors occurred, and in 2001 the total visits reached the lowest level of 333,308 tourists. Particularly worrying were visits by foreign tourists, which amounted to only 98,946 visitors. These changes were primarily due to the conflict which emerged in the Republic of Macedonia.

Another change was the slight increase in the number of visitors, so that in 2015 it exceeded the levels registered in 1991 (710,278 tourists) and reached 816,067 visitors. The overnights show similar characteristics, because they were a result of the same influences mentioned previously. In 2015 there were 2,394,205 overnights generated by tourists. Interestingly, 43.64% from the total number of overnights were generated in hotels (these data are for 2014 – the year of the latest official and available information).

The length of stay of tourists in the Republic of Macedonia represents an indicator of the level of attractiveness, the quality of services and reasons for visiting tourist destinations. In the total development period a different length of stay was registered. Domestic tourists stayed longer in the Republic of Macedonia compared to foreign tourists, and the slight decrease in the length of tourists' stay was typical of this period. The average length of stay of the total number of tourists decreased to 2.93

days in 2015 compared to 1990 when the length of stay was 3.2 days. The longest stay of the total number of tourists was recorded in 1994 and measured 4 days. The longest average stay of domestic tourists was also recorded in 1994 and measured 5 days. In the following period a decrease in this number took place, so that in 2015 it decreased to 4.11 days. The length of stay among foreign tourists was constant and ranged from 2.25 days in 2005 to 2.13 days in 2015. The average daily expenditure of tourists amounted to 590.35 Euros.

According to the latest survey conducted by the State Statistical Office of the Republic of Macedonia (n.d.c.), tourists who visited Macedonia travelled mainly by car and by plane. Private cars as a means of transport represented 46.12% of the total number of visitors. A large percentage was achieved through air-travel – 38%. In last place were those travelling by bus (14.5%) and by railway (0.46%). This situation refers to the recreational component that is present for domestic tourists while for foreign tourists the level of quality of tourism services decreased, so that the interest in visiting and staying was not at the expected level and during this period it was not improved.

Seasonality can be illustrated by the visitation levels and the nights spent by domestic and foreign tourists in a monthly distribution. The analysis shows that there were no significant deviations in this regard. The highest visitation level and stay during all developmental periods took place in the months of July and August. In the months of May, June, September and October the number of tourists decreased, and the lowest visitation was registered during the remaining months.

The main tourist markets are determined by visits from foreign tourists and tourists from neighbouring countries. Influenced by social, political and economic conditions, certain changes in this domain occurred; therefore it was important to permanently monitor them. The following table contains the most significant generating countries from which tourists came.

Table 1. Number of Visitors by Country of Origin

<i>Country</i>	<i>1980</i>	<i>Rank</i>	<i>1990</i>	<i>Rank</i>	<i>1995</i>	<i>Rank</i>	<i>2000</i>	<i>Rank</i>	<i>2005</i>	<i>Rank</i>	<i>2010</i>	<i>Rank</i>	<i>2014</i>	<i>Rank</i>
Greece	35504	1	24909	2	3429	5	21304	4	33080	2	26843	2	42677	2
Germany	35169	2	62853	1	7908	3	10349	5	6995		9573		15542	
Italy	15212	3	14202	5	3683	4	4410		4259		6181		10213	
France	14658	4	8747		1965		4768		3017		4858		5378	
Holland	10845	5	15803	4	1959		6809		4218		6612		26111	5
Serbia*					48423	1	35522	1	39147	1	35840	1	41013	3
Bulgaria			21992	3	21992	2	27623	2	17462	3	15513	5	26480	4
Albania			7983				24747	3	16868	4	17110	4	17561	
Turkey									7379	5	20047	3	63567	1

**Until 1999 tourists from Serbia were considered domestic tourists, and from 2000 it was recorded as Serbia and Montenegro*

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

Based on the table above it can be concluded that the most important markets were the listed countries. The top 5 countries were the following: Serbia, Greece, Bulgaria, Germany and Turkey.

Tourism arrivals according to the main reasons are determined by the highest share of business travel for 2009. In a survey conducted with foreign tourists in 2015 about the reasons for visiting the country the most important reasons were vacations and recreation with a share of 36.9% while in second place were business trips (33.16%). They are followed by attendances at congresses (10.23%), short-stay holidays (up to 4 days – 7.84%), transit stays (4.89%), residence during circular trips (3.02%) and health reasons (0.81%), religious rituals (0.47%) and other reasons (2.69%). Changes in this structure are reflected in the rapid reduction of business reasons and the increase of interest for leisure and recreation activities as well as attending congresses (State Statistical Office of the Republic of Macedonia, n.d.b.).

A general feature of tourism for this period was permanent stagnation and also regression of the expected progress. Although tourism in this period was seen as a priority activity, the disorganisation, the environment, the slowness of the transition processes and the absence of foreign capital are the reasons for the evident stagnation and regression of tourism development. Arrivals permanently declined until 2001 when they reached the minimum. This was a period of political and structural uncertainty and there was even armed conflict. After that, an increase in the number of visitors took place in 2015 which was greater than the registered visits in 1991. This was due to the measures undertaken such as tourism subsidies. But still the highest levels of 1987 were not reached. The indicators for the nights spent as well as for the length of stay of tourists were also similar. Seasonality showed a constant concentration which did not change. The highest attendance and stay occurred during the summer months and the lowest during the winter months. The most important top 5 markets for tourism in the Republic of Macedonia are Serbia, Bulgaria, Greece, Germany and Turkey. The main reasons for the arrivals of tourists are variable, but basically holiday and recreation as well as business reasons prevail.

4. Hospitality and Tourism Supply

4.1. Main hospitality and tourism services

The main tourism and catering services are analysed in the domains of transport, accommodation, restaurant services, employment in tourism and global tourism regions.

- **Transport**

Transport is distinctive because of the fact that in the Republic of Macedonia there are international and domestic routes for air, rail and road traffic. This allows the development of tourism activities because Macedonia as a tourist destination is connected to the generating countries. The total number of transported passengers in 2014 using air traffic in the Republic of Macedonia was 1,279,327 passengers. This was the highest turnover of this type of service. Rail traffic showed a significant stagnation and in tourism in Macedonia it only had symbolic meaning. Also, before and during the transition period the number of passengers had been steadily declining, so that in the last 5 years of the transition period it decreased to only 803,000 from the previous 1,512,000. There are a total of 384 sleeping cars. The highest number of passengers was transported by road. Motels are represented with the offer of 699 beds (State Statistical Office of the Republic of Macedonia, n.d.b.).

- **Accommodation facilities**

The number of beds from 1980 till 1990 showed a permanent increase. From 1980 the total number of beds increased from 52,399 to a total number of 85,284 beds in 1988. Then there was a significant decrease in the number of beds to 82,411 in 1990. During the transition period a permanent decrease in the number of beds took place. The minimum was reached in 2010 when they were reduced to 69,102 beds. In the latest analysed year (2014) the total number was 71,225 beds. It is obvious that during the transitional period no improvement was achieved; on the contrary, there was a noticeable decrease in this type of material base for the development of tourism. For the last available year (2014) the total number of accommodation establishments in the Republic of Macedonia was 1,124.

In the structure of accommodation facilities domestic accommodation prevails. This number is constantly increasing so that in 2014 it reached 26,042. The number of beds in the hotels is relatively lower which can be considered as a negative conjuncture. This number was 15,543 beds. The number of boarding houses was 109, motels 699, lodgings 336, spas 1,289, mountain houses 45, workers' resorts 3,911, children and youth

resorts 6,590, youth hotels 48, camps 8,993, temporary accommodation facilities 1,369, sleeping cars 384 and the number of beds in uncategoryed facilities was 5,869.

The structure of hotels is shown in Table 2:

Table 2. Structure of Hotels in the Republic of Macedonia

<i>Type of accommodation</i>	<i>1980</i>	<i>1995</i>	<i>2000</i>	<i>2005</i>	<i>2010</i>	<i>2014</i>
<i>Hotels</i>	8187	13455	14468	14369	12374	15543
<i>Hotels – category A or *****</i>	1691	3904	4276	4229	1251	2152
<i>Hotels – category B or *****</i>	4648	8394	9402	9132	3150	4483
<i>Hotels – category C or ***</i>	700	576	422	423	2072	4323
<i>Hotels – category D or **</i>	1148	581	526	585	3565	2753
<i>Hotels *</i>					2336	1832

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

Hotels with 4 and 3 stars are dominant, followed by hotels with 2 stars and 5 stars and the lowest representation is shown among the hotels that have 1 star. The increase in the number of beds in hotels with the highest category should be emphasised as significant changes occurred before the transition period. This number reaches its highest level in the year 2000 (4,276), and afterwards a decline occurred. The decrease was evident until 2010 when a minimum was reached (1,251). This was due to the introduction of standardisation in the categorised facilities.

Utilisation and trends in volume are given in Table 3. The utilisation of facilities during the transition period registered a decrease compared to the pre-transition period due to the already mentioned implications of political and economic processes.

Table 3. Usage of Facilities in Volume and Percentage

	<i>1980</i>	<i>1995</i>	<i>2000</i>	<i>2005</i>	<i>2010</i>	<i>2014</i>
<i>Using of facilities in days</i>	58,81	23,08	26,31	21,02	29,24	30,83
<i>Percentage of usage</i>	16 %	6,32%	7,21%	5,76%	8,01%	8,45%

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

- **Restaurants**

The numbers of economic entities and employed staff are shown in Table 4:

Table 4. Number and Dynamics of Economic Entities

	<i>1980</i>	<i>2014</i>
Number of economic entities	1043	842
Employed staff	12645	10462

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

The number of economic entities during the transition period declined compared to the pre-transition period. In 2014 there were 842 entities which show a decrease from the 1,043 entities registered in 1980.

The number of jobs can be expressed by the number of employed staff. This also declined from 12,645 workers to 10,462 workers in 2014.

The distribution by types of facilities in catering units is given in Table 5:

Table 5. Number of Available Seats Distributed by Types of Catering Units

<i>Type of facility *</i>	<i>1979</i>	<i>2014</i>
<i>Hotels</i>	29324	31387
<i>Motels</i>	5384	2650
<i>Lodges</i>	164	222
<i>Classic restaurants</i>	14816	20082
<i>Coffee houses</i>	6992	2278
<i>Cantinas</i>	14471	1704
<i>Guest houses and inns</i>	6953	2091
<i>Pastry and ice cream shops</i>	1561	1353
<i>Spa resorts</i>	1440	1931
<i>Holiday resorts</i>	4477	3245

*Only the most important facilities are shown

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

Data from Table 5 show that the highest number of seats was registered in hotels in which there was an increase in their scope, as well. After the hotels are the restaurants, spa and climate resorts which are increasing, and then motels, inns and taverns which are decreasing. The *trends* show that the number of seats is increasing in the most important venues. The introduction of standards will consider the quality of services.

Certification is carried out within the chamber associations and assemblies in the field of catering (informal education is very weakly represented in the Republic of Macedonia and has an almost occasional character). Working Licences are issued by the Ministry of Economy of the Republic of Macedonia, and market inspection controls the quality of work of restaurants.

The *number of employed staff in the restaurants* is presented in Table 6. It shows that in the last year of analysis (2014) the total number of employees was 16,216, out of which employers contribute 19.93%, employees as workers 67.2%, self-employed 7.58% and unpaid family workers with 5.29%. The highest employment is noted in restaurants and summer garden restaurants, followed by coffee bars, snack bars, aperitif bars and others, and then dairy restaurants, kebab restaurants, grills, pizza restaurants, bakeries and kiosks and other facilities.

The main tourist regions and attractions, according to the State Statistical Office, are presented in Table 7. Analysis of the data in Table 7 indicates that in all developmental periods the Southwest Region is first, followed by the Skopje Region, while the other regions are evidently behind these two regions. The most important attractions have to be mentioned: the tectonic lakes (Ohrid, Prespa and Dojran Lake), Skopje as the capital city and cultural centre, mountain centres (Popova Shapka, Mavrovo, Pelister and Krushevo), and spa centres (Kosovrasti, Banjishte, Banjsko, Negorci and Katlanovo) (Stojmilov, 1993).

Table 6. Number of Employed Staff by Type of Facility

<i>Type of facility</i>	<i>Number of employees</i>								
	Total	Employer	%	employed	%	Self-employed	%	Unpaid family employee	%
1	2	3	4	5	6	7	8	9	10
TOTAL	16216	3232	19.93	10897	67.20	1229	7.58	858	5.29
Restaurants, restaurant gardens, summer gardens	3916	588	15.02	3073	78.47	130	3.32	125	3.19
Express restaurants and restaurants with self-service	227	38	16.74	188	82.82	1	0.44	-	-
Dairy restaurants and similar facilities	1436	328	22.84	941	65.53	91	6.34	76	5.29
Guest houses and community kitchens	715	160	22.38	482	67.41	40	5.59	33	4.62
Cantinas	593	127	21.42	350	59.02	75	12.65	41	6.91
Kebab restaurants, grills and other similar facilities	1201	295	24.56	675	56.20	142	11.82	89	7.41

Taverns	727	175	24.07	332	45.67	128	17.61	92	12.65
Coffee bars, Snack bars, Aperitif bars and other similar facilities	2964	631	21.29	2025	68.32	183	6.17	125	4.22
Night clubs, dancing clubs, cabaret bars	272	43	15.81	216	79.41	3	1.10	10	3.68
Disco clubs	164	8	4.88	148	90.24	2	1.22	6	3.66
Pubs	96	11	11.46	83	86.46	1	1.04	1	1.04
Pizza restaurants and other similar facilities	1096	202	18.43	830	75.73	28	2.55	36	3.28
Tea shops	706	119	16.86	165	23.37	273	38.67	149	21.10
Kiosks and other similar facilities	916	265	28.93	546	59.61	73	7.97	32	3.49
Social restaurants	144	7	4.86	134	93.06	3	2.08	-	-
Students' restaurants	37	4	10.81	33	89.19	-	-	-	-
Pastry and ice cream shops Cafés	1006	231	22.96	676	67.20	56	5.57	43	4.27

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

Table 7. Number of Visitors by Statistical Regions in the Republic of Macedonia

	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
TOTAL	586241	647568	663633	701794	735650
Vardar Region	10572	12064	15867	17196	20667
East Region	13054	13615	18865	20747	23035
Southwest Region	234665	249746	251462	264826	269547
Southeast Region	84856	108555	106978	109982	124707
Pelagonija Region	69712	76469	72054	70312	65527
Polog Region	31828	29153	29884	30823	29143
Northeast Region	3098	3803	4446	5584	6937
Skopje Region	138456	154163	164077	182324	196087

Source: State Statistical Office of the Republic of Macedonia (n.d.c.)

Figure 3. Regional Map of Macedonia



Source: Wikimedia Commons (n.d.)

4.2. Tourism packages

The number of tourist agencies increased significantly in the transition period. This suggests that the loss of jobs as a result of companies closing down re-oriented the employees towards tourist-agency operations. In Macedonia there are 519 Travel Agencies. The emphasis is on outgoing rather than incoming tourists. Incoming is characterised by the dominant offer of the Ohrid region, then mountain centres, the Berovo-Maleshevo region and visits to Skopje. It can be concluded that the supply of tourist and catering services is very comprehensive, and nowadays it is characterised by the following significant components:

In the field of transport services improvements have been made at the airports in terms of the increased numbers of passengers. It enabled an increased turnover in the catering facilities at airports that are mainly restaurants. On the borders there were also improvements, but these areas

are still lacking adequate catering facilities. Tourists travelling by road usually stay in auto-camps and motels. The number of beds in these facilities shows no significant change compared to the period before the transition period which means that it opens possibilities for further developments. Accommodation facilities recorded noticeable changes in volume and quality. After 1990 when the transition period started, there was an increase in the number of beds, after which this number decreased. In 2015 the number was 71,225, which is less than before the transition period, but with a tendency for the number to increase. Service quality in hospitality has improved, although the structure is not at a level that would mean significant change. The situation in catering facilities is similar – evidence is the increase in number of seats. Employment shows a certain decrease.

5. Main Tourism Types (Products) and Destinations

The most important types of tourism in the Republic of Macedonia are lake, city, mountain and spa tourism. Lake tourism is related to the long tradition of sunbathing activities in Ohrid, Struga, Prespa and Dojran. City tourism is mostly related to business trips and visits to cultural-historical attractions, and in this respect Skopje is dominant as an economic, administrative and cultural centre. Mountain tourism is present in winter-sport centres with skiing activities being the most popular. Spas are in the group of potential attractions that are not used enough in the tourism offer (Stojmilov, 1981).

In terms of the structure of visits there have been changes, and in the recent period the leading destination has been Skopje, while lake tourism destinations are in second place. Skopje as a capital city is the centre of economic activities with possibilities for business development. In the latest analysed year the most visited area is the lakes that were visited by 318,972 visitors. The second is Skopje, visited by 181,835 visitors; some other places are visited by 140,604 tourists, mountain places by 64,707, and spa areas by 29,532.

Certain changes occurred in different tourist destinations, for example, in mountainous places. Among them is the winter-sports resort Kozuf, which has significant potential. But it records very low visitation due to poor road infrastructure. In the mountainous regions of Popova Shapka and Mavrovo the standardisation of accommodation has reached a higher level. In spa centres the most progress has been made in Kosovrasti and Katlanovo, while Spa Bansko is the most developed spa centre in the Republic of Macedonia and is leading in terms of standards and service

quality. A significant development took place at Ohrid Lake and Dojran Lake, while Prespa Lake has stagnated in this respect (Jeremic, 1971).

Reasons for such changes include the still undeveloped mechanism of spatial planning, employment relations and the relatively weak tendency of investors to invest in these sectors.

In terms of the resources in the Republic of Macedonia, there are still not enough differentiated resources. The changes are more evident in arrangements which include types of alternative tourism which in the past were not sufficiently included in the tourist offer.

Spa tourism in the pre-transition period was characterised by striking stagnation, while in the transition period it already experienced a boom in terms of quality and resource use. The development of tourism in Dojran is due to the creation of an environmental plan where the lake is more developed for tourism activities allowing the destination to attract tourists. On other hand, the collapse of the tourist resort Oteshevo was the main reason for the stagnation of the Prespa Lake area. City tourism in Skopje is growing constantly because of business tourism activities and the fact that it is an economic and cultural centre that has marvellous natural surroundings.

6. Hospitality and Tourism Human Capital

Total employment in the hospitality and tourism industry in 1978 amounted to 7,747, and in 2014 20,076. Tourism in Macedonia is characterised by high seasonality.

According to the National Classification of Occupations of the Republic of Macedonia (State Statistical Office of the Republic of Macedonia, n.d.b.), chefs belong to the group of professional associates for art, culture and gastronomy (code 343) with the occupations of chef (code 3434.01) and head chef (code 3434.02). The following workers in the service sector and sales (group 5) are included:

- Travel companions and stewards (code 5111) with the occupations: steward/stewardess of aircraft, ships, airports and sleeping cars, and bus and travel companions;
- Tourist guides (code 5113) with the occupations: tourist guides, museum guides, archaeology, hunting and mountain guides, caving, sports, information and gallery guides;
- Accompanying guides (code 5112);
- Chefs' (code 5120) occupations: chef, assistant chef, grill master, and pizza master;
- Waiters' (code 5131) occupations: chief waiter, bartender and waiter;

- Barmen (code 5132) with occupations: bartender, head of night bar and head of hotel service;

Senior executives and management belong to subgroup 14 and cover minor groups: executives of catering and hotel businesses (code 141), and the single groups are:

- Hotel directors (code 1411) with the occupations: director of the hotel enterprise, small hotel, motel, camping, resort, company for renting rooms or houses, and for purchasing food for the hotel;

- Restaurant directors' (code 1412) occupations: director of the restaurant, a small restaurant, catering enterprises, bar, disco bar, and night bar;

Sub-group of directors for transport, storage and communications (code 1324) includes directors of service enterprises such as tourist agencies (code 1324.11) and travel agencies (code 1324.12), and directors of travel agencies (code 1324.18);

Sub-group of commercial specialists for sales (code 3322) includes the travel adviser (code 3322.09) and Inspector of Tourism (code 3322.16);

The group of office supervisors (code 3341) includes the tourist animator (code 3341.03);

The group of counter clerks in travel and tourist agencies and related occupations (code 4221) includes the counter clerk in travel and tourist agencies, sellers of bus tickets, travel accounts clerks, trips organisers, and trips officers;

The group of teaching staff for secondary education (code 2330) includes professors of Hospitality and Tourism (code 2330.43);

The group of administrative staff in informational contact centres (code 4222) includes officers for informative contact centres;

The sub-group of counter clerks for information (code 422) includes clerks in travel and tourism agencies and related occupations (code 4221);

The sub-group of hotel receptionists (code 4224) includes the head receptionist (code 4224.01). Sub-group 4226 includes the receptionist (code 4226.01);

The sub-group of cleaners and office, hotel and other establishments' assistants (code 9112) includes the occupations of room cleaners and maids;

The sub-group of assistants for food preparation (code 94) includes the following groups:

Assistants for preparing food (code 941) with occupations like fast food preparers and kitchen assistants (assistant in kitchen and dishwasher);

The group of servers of food and assistance to clients (code 5246) includes food servers, salad servers, coffee bar assistants, and buffet workers;

Supervisors for the maintenance of buildings and housekeepers (code 515) include monitors of household cleaning in offices, hotels and other establishments with the housekeepers of the resort, the mountain house, and hostel;

The group of security (code 5414) includes the guard, doorman, wardrobe officer, guard luggage server, amusement park server, receptionist, ticket officer, parking officer and suppliers;

The group of hotel and office housekeeping (code 911) includes cleaners and assistants in offices, hotels and other establishments with servants, toilet cleaners, room cleaners, room maids, couriers, suppliers, carriers and doormen (code 9621) lift servers, hotel porters, and room service deliverers;

Specialists in university and higher education in the social sciences include lecturers in hospitality and tourism, university professors and teaching assistants (National classification of employees and workplaces in the Republic of Macedonia, 2011).

Organisations and institutions responsible for certification and qualification include the following:

International association of mountain guides (UIMLA), IATA (TA Savana – Skopje) Certificates (for running a travel agency, tour guides and companions) – Faculty of Tourism and Hospitality, certificates for slow-food – business chambers and associations.

Macedonia has a consistent national classification covering all occupations and jobs in tourism and hospitality. Despite higher education institutions, certificates of the improvement of work processes in this area are provided by secondary schools, associations, chambers and associations and international institutions in the field of travel and tourism. Certificates for professional courses are delivered by employment agencies.

7. Tourism Policy, Marketing and Management

The governmental institution responsible for tourism development is the *Ministry of Economy*. Within this Ministry, the *Department for Tourism and Hospitality* is the responsible authority for the realisation of tourism policy, legal regulations within the Law for tourism and the Law for hospitality, and the categorisation of accommodation facilities, restaurants, and inspection. The agency for the promotion and support of

tourism of the Republic of Macedonia is an independent body of the Government of the Republic of Macedonia.

Changes in the period of transition have been remarkably indicative. During the pre-transition period the main government institution was the Republic Committee for general economic issues and the market. Changes included the character of the political system and regulations for transferring competencies in the field of tourism and hospitality.

The period of transition was characterised by the establishment of the Government of the Republic of Macedonia instead of the previous Executive Committee as a socialist body. Because at that time there were no Ministries, it was a form similar to the ministry with all competences. Although it was not very formal, it had very important functions. Tourism came to be treated as an economic activity which it should be. In the pre-transition period, the main activities for the promotion and marketing of the tourist offer, as well as business relations with foreign business partners were the responsibility of the Tourism Association of the Socialist Federative Republic of Yugoslavia. Within the framework of this Association, was the Tourism Association of the Socialist Republic of Macedonia, along with the Tourism Associations of other Yugoslav Republics. This Association was non-governmental. The responsibilities for the tourist promotion of Macedonia within Yugoslavia and abroad were transferred by governmental executive agencies of the non-governmental sector with tourist attributes (Tourism Association of Yugoslavia, 1988).

After the independence of the Republic of Macedonia, a travel agency had competences to represent the country abroad in the field of tourism, which was one of the biggest anomalies in this sector. Soon, this problem was identified and eliminated by transferring the activities to the Sector for Tourism that transferred its competencies to the Direction for Tourism. But, this Direction was closed soon, as well. The establishment of the Agency for the promotion and support of tourism was the next step with its head office in Struga, a city in the Lake Ohrid region which was the most developed tourist region of the country, and after a few years it was transferred to Skopje, the capital city, but most of the sectors remained in Struga.

The Committee for tourism is a national coordinative body with the biggest responsibility, constituted in 2009. This body is managed by the Prime Minister of the Republic of Macedonia, based on the strategic orientation that tourism is amongst the most important development priorities of the Macedonian economy. The Committee has a function to align program objectives in the field of tourism with other ministries of the

Government. Representatives of ministries participate in the structure of this body as well as experts who have advisory importance.

In the Republic of Macedonia there is no National Tourism Organisation, so one of the Committee for tourism functions is to act as the Agency for the promotion and support of tourism. It performs operational activities, participates in international tourism fairs and presentations, prepares and realises sub-strategies, adopts and implements programs for tourism development, and implements government measures such as, for example subsidy payments for tourism and hospitality. The Agency reports on proposals related to program activities and presents the adopted documents to the Committee as the coordinating body.

Tourism law was adopted in parallel with the Law on hospitality within the transition period. By this time there was a law of hospitality and tourism as one. The main change was that this was the first time in the normative legislation that hospitality diverged from tourism activity. This law was enacted in 2004 with changes made in 2008 (Law on Tourism Activity, 2004; Law on Hospitality Activity, 2004). The most significant changes relate to the following: regulating the procedure for issuing licences related to the positive solvency of the company; introducing the obligation for acquiring a certificate for managing a travel agency; acquiring a tourist guide certificate and travel companion as a condition for obtaining a licence; regulating courses that allow such certifications and specifying the conditions for obtaining licences A and B for travel agencies. Further development of tourism is regulated by the Law on Tourist Development Zones, 2012.

The Republic of Macedonia has differentiated regionalisation in terms of tourism. Namely, it is divided into planning regions, but these regions are not determined by spatially defined units from a functional standpoint, but have administrative character. During the transition period these regions were established as statistical regions. Tourism within them is determined as an opportunity for balanced economic development. They do not have a political-organisational nature in terms of local or regional development, but the nature of the connection of the interest in tourism is from the local to the state level. They do not possess executive bodies in tourism and do not have separate departments for tourism.

The roles of local and regional authorities in tourism development and policy are different. Local authorities have a high degree of autonomy in tourism policy realisation. This function is delegated to specific sectors established as Sectors of tourism and local economic development. They are responsible for issues related to communal problems, spatial landscape and promotional activities at the local level, and they follow the interests

that fit the general national interests. It is characteristic for planning regions that the implementation of policy is carried out by the Council of municipalities. The planning regions have a dual responsibility: to local governments and the Ministry of Local Self-Government. They adopt strategies, programs and feasibility studies on a regional level for different issues of tourism development.

Some of the adopted tourism strategies in the Republic of Macedonia in recent years have been: the Strategy for the regional development of the Republic of Macedonia, 2009; the National Strategy for rural tourism in the Republic of Macedonia, 2009 and 2012; the Strategy for the rural development of the Republic of Macedonia, 2010; the Strategy for the sustainable development of the Republic of Macedonia, 2010; the Sub-strategy for traditions and events in the Republic of Macedonia, 2014; the Sub-strategy for sports tourism in the Republic of Macedonia, 2014; and the Strategic plan for the development of tourism in the Northeast Planning Region, 2011. Equally important are the tourism marketing strategies, such as the Strategy for promotion and marketing in tourism in the Vardar Planning Region, 2011 (Marinoski, 2011a; Marinoski, 2011b).

Destination management organisation at a lower/local level is transferred to the Local Economic Development Departments and Tourism clusters. Tourism policy in the Republic of Macedonia is led by the Ministry of Economy as the most responsible institution. Tourism is regulated by the Department for tourism and hospitality, which deals with the implementation of policies. The promotion and support of tourism are the responsibility of the Agency for the Promotion and Support of Tourism as an independent body. The Committee on Tourism of the Government has a coordinating role at the highest level. The Republic of Macedonia does not have a national tourist organisation, instead the Agency for the Promotion and Support of Tourism is responsible. The laws of Tourism and Hospitality exist as separate legal acts. Tourism regionalisation is still an open issue, and the planning regions undertake and perform different activities and actions for the balanced development of tourism in the country. In local government, sectors for local tourism and economic development are responsible for local tourism development. Destination management is closely related to this organisational structure. Changes in these sectors were made in the transition period in line with accelerating tourism development.

8. Tourism Impacts and their Manifestation in the Transition Period

It was expected that during the transition period there would be a noticeable impact on tourism. From an *economic* point of view there was relative stagnation until 2010 when economic measures were adopted to promote tourism. It contributed to achieving positive effects, due to which nowadays income from tourism is about 200,000,000 USD, unlike the pre-transitional period when the performances were below US \$ 100,000,000 (Stojmilov, 1983). In the field of social impact in the last 5 years certain social measures have been taken, among which opportunities have been created for free travel for pensioners in tourist areas, particularly spa centres, subsidies for the trips of socially disadvantaged people, and for pensioners to stay at tourist sites.

Spatial planning solutions were adopted that enable the spatial zoning of areas for tourism development with communal and infrastructural planning. Different strategic documents were adopted at the national level and in the planning regions, and there are on-going local strategies. Tourism is an important factor in the acceleration of economic processes because it reaches the highest position in the prioritisation of activities. Economic performance evidenced a remarkable increase. Tourism contributed to a social balance of categories that could be included in the tourist activity. The increase of tourism is due to economic measures among which the subsidising of foreign visits has a dominant position in achieving economic results.

9. Hospitality and Tourism Education

Tourism and hospitality education in the Republic of Macedonia is organised at all levels. Secondary education is organised within two levels: three year secondary education that includes the cook, waiter, confectioner; and four year secondary education that includes tourist technicians for travel agencies and for receptions. The number of secondary schools is 10, 6 of which are specialised school centres, and the others are classes for tourism-catering vocations. Certain changes have been undertaken related to the increase of the number of classes established within secondary education centres.

Tourism and hospitality education at university level is realised at three levels. The first level of education includes undergraduate studies from the field of tourism and hospitality. The second level is for postgraduate masters' studies, and the third is for PhD studies. There are 6 higher

education institutions in the country that are accredited for tourism and hospitality higher education.

Changes in the field of tourism-hospitality education are more than evident. In the pre-transition period, there was only one Faculty of Tourism and Hospitality, and during the transition the number of higher education institutions in this field was increased. We can conclude that the scope of different levels of tourism-hospitality education can satisfy educational needs for these professions in the Republic of Macedonia. In recent years, there were many changes in the number of classes in secondary education centres and in the number of faculties.

9.1. FH impact on hospitality and tourism education in Macedonia

The Faculty of Tourism and Hospitality in Ohrid (FTHO) joined La Fondation pour la Formation Hôtelière (FH) in 2011. Since then the FH activities have influenced work in the Faculty and the tourism industry in Macedonia by running “Train the trainer” seminars on: Case Studies for Management Education and Training; Students Working in the Industry; Cultural Dimensions; Culinary Arts; Service Quality; Food and Beverage Management; Guest Satisfaction; and Business Ethics and Culture. The FH fully sponsored Gastronomy seminar held in Opava, Czech Republic in June 2014, was particularly valuable in enabling a Macedonian Professor of Gastronomy to prepare, and share the recipes for, traditional Macedonian dishes with several FH international partners. Also of substantial value was the 2016 seminar that was sponsored by STR Share Centre, USA and supported by FH. This Certification Training Session, and Train-the-Trainer Workshop, was held at the University “St. Kliment Ohridski”, FTHO and facilitated by STR’s Vice-President. It was entitled: “Hotel Industry Foundations and an Introduction to Analytics”. FTHO was also awarded a special grant in 2013 for the purchase of a complete set of much needed kitchen appliances and equipment which are now being put to full use for training students from the Gastronomy Department.

Conferences

The FH fully sponsored annual conferences play a key role for all partner Central and Eastern European Universities, Colleges and Schools, including Ohrid University, by offering opportunities to present papers, discuss research results, exchange information and initiate co-operative ventures. In 2016, FTHO hosted the 16th Annual Conference of FH

partners. The theme of the papers presented at the conference was challenging: Planning for change in hospitality and tourism. At the previous conference in Portoroz (Slovenia), FTHO joined with 10 FH partner institutions to develop the research project, “Hospitality and Tourism in Transition in Central and Eastern Europe”, which culminated in the present publication.

Being a member of FH has offered a series of extremely valuable international learning experiences. FTHO has reaped great benefits from the implementation of the FH activities both within the educational process and via management practices in the hotel industry. FTHO express sincere gratitude to FH for their valued and timely contribution to the sustainable development of tourism and hospitality in Macedonia.

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