

# **SUSTAINABLE TOURISM AND INSTITUTIONAL POLICIES IN TOURISM DEVELOPMENT IN MACEDONIA**

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(Review paper)

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## **Abstract**

The tourism is the third biggest industry in the world. The economic importance of this industry consists in its generating abilities and its direct and indirect employment opportunities. In the last two decades, there has been a huge increase in tourist movements, where according to WTO, the importance consists of the increment up with 1.6 billion people in the touristic movements up to the year 2020 which will be 4.1% per year.

In the last two decades' sustainability has emerged as a force in the tourism industry, offering new directions and values for public policy, and inducing the creation of the concept of sustainable tourism. There have been a number of institutional initiatives in this respect, and they have shaped a framework for both theoretic and applied development, and have helped extend the paradigm of sustainability as a general feature of contemporary tourism. The content of this article sheds light on the process of creation and use of the concept of sustainable tourism through the analysis and evaluation of institutional initiatives in tourism policy in the last 20 years.

**Keywords:** tourism, sustainable development, politics, degradation.

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## **1. INTRODUCTION**

A number of agents and factors can be identified in the process of creating, using and spreading sustainable tourism. The role of academics and the scientific community in the creation of the discourse on sustainability and sustainable tourism seems obvious and unquestionable. However, the agents of the tourism sector and their commercial considerations have given the terms sustainability and sustainable tourism meanings that do not always coincide. On the other hand, the public sector, in its broadest sense—the institutions involved—have included these concepts when creating the different policy tools for territory, development and tourism, and it is the intention and perspective they apply that shapes the meaning in each case. In the last two decades, there has been a progressive increase in institutional initiatives and policies that tackle, in one way or another, the concept of sustainable tourism, and which have shaped and defined the current notions of what sustainable tourism is. It could be seen as a process of institutionalizing the concept of sustainable tourism.

Measures applied for the development of tourism by the European Community meantime mean the necessity for environment protection, accepting the fact that the environment is the main obstacle for tourism and being focused on the requests and offers in time and limited

spaces, as a main problem for sector structuring<sup>1</sup>. Environmental dimension of sustainability was a factor in tourism in 1990, and gradually increased in an international concern as an institution.

Basic methods research used in the realization of this study are:

- Gathering theoretical information from the native contemporary literature and foreign one
- Illustration of this theoretical material with photos and charts
- Reason- consequences analyses which aims to view the factors that impact in the sustainable tourism development

## **2. The development concept of sustainable tourism and tourism policy**

In order to determine their influence in the process of creating the concept of sustainable tourism, the appearance, presence and meaning of the concept in institutional tourism policy documents are studied in the context of the interaction of three structural components.

These are the characteristics of tourism itself, the role of the state and the shaping of tourism policy and, finally, the paradigm of sustainability. The creation of the concept of sustainable tourism owes much to the growth of each of these components (the growth of tourism, the intentions behind political discourse and the meaning of the principles of sustainability) and especially to their interaction and their use of the term sustainable tourism which adds-or could add-new meanings, and the promotion of processes for the sustainable development of tourism.

The concept sustainable tourism has been used for the first time in 1996 by WTO of the UN with the idea that the tourism should manage all the fields such as: economy development, social cohesion and the environment which is additionally fulfilled by cultural integration, ecological processes, preserving biodiversity in support of the social development in all fields in a local and regional development<sup>2</sup>.

The changeable nature of the reference framework and, on the other hand, the permanent debate generated by its scientific interpretation make it advisable to include a brief discussion on the value of tourism, the role of the state, the creation of tourism policies and the paradigm of sustainability. The discourse and actions of tourism policy make reference to the term sustainable tourism, leading to the final formal institutional acceptance of the concept of sustainable tourism.

The concept of sustainable tourism is not only for one form of tourism, but it contains all the forms up to the massive tourism that is the most problematic one for realization. This concept consists of three elements<sup>3</sup>:

1. Economic development- maximum use of the capacities, increasing the number of employment, maximum profit and increasing the welfare which is the indicators of economy development.
2. Social cohesion-income generations, taking care about traditional and cultural treasure, psychologically preparing the host population, involving the community in the planning and the tourist's pleasure are in the function of social cohesion.
3. Environment protection-biodiversity conservation, minimization of the non-renovating potentials, minimization of all kinds of pollutions, rural and urban integration, rational use

<sup>1</sup> Antón Clavé, S. (1992). Medio ambiente y política turística. Medidas comunitarias y estrategias de competitividad del turismo español. Estudios turísticos, 116, 5–25

<sup>2</sup> Castellani, V., & Sala, S. (2010). Sustainable performance index for tourism policy development. Tourism Management, 31, 871–880.

<sup>3</sup> WTO, 1993

of potentials which are part of environment potentials in the function of sustainable tourism.

If we look at tourism globally, regardless of its formal acceptance, this social phenomenon has at least three inherent properties: 1) its present-day development, 2) a diverse nature and 3) a complex structure.

What stand out are its dynamic capacity for change, its different aspects and effects (spatial, economic and social) and the interaction of its many components – its complex structure – which may be seen as the tourism system. The status of the so-called “agents” as components of the tourist system has been a constant issue in the many proposals put forward for identifying the components of tourism. The public authorities take active part in tourism through what is known as tourism policy, which is present at different levels of organization (international, national, regional and local), and in accordance with the functions and powers defined for each by law. Public administration is defined as all of the public bodies and organs which are included in the executive branch of government. Political power, therefore, has organized structures for exercising its relevant powers, in accordance with the level of administration involved. These are the arguments behind the fact that public administration and tourism policy are part of the phenomenon of tourism, although they have changed in response to the changes in tourism, and have adapted to the conditions and needs of the sector. This view accounts for the appearance of “new” tourism policies at different times in recent decades. The role of the state, of public authorities among these agents has always been stressed. In tourism, an agent is defined as a person or organization (institution) which, through its activity, has a direct or indirect effect on tourism in a specified territorial area.

### **3. Tourism in Macedonia**

Republic of Macedonia in its area and population is one of the smallest states in Europe. Its area stretches 25 713 km<sup>2</sup>. There are about 2.2 million inhabitants. Although it is a relatively small country, it is characterized by the presence of numerous tourist values. In this area, notably is the presence of natural and anthropogenic attractive values. The potentials that it possessed as well as its tourist-geographical position represent a basic assumption in the determination of the state to put the tourism industry in priority activities.

Regarding the diversity and richness of its cultural heritage and natural resources, Macedonia has nowadays a wide range of varied potentials for offering different forms of tourism, which can very well combine in order to propose the substance for attractive tourist products:

- Cultural tourism
- Lake tourism
- Mountain tourism
- Rural and ecotourism
- City tourism
- Spa tourism
- Wine tourism

Tourism development should be aimed at improving not only the economy but also towards tourism and the economy as a whole. Balanced development, underdeveloped spatial entities, vitalization and promotion of attractive values, protection and improvement of the environment in areas of national interest, establishing a cultural attitude towards nature, natural and cultural heritage, raising the educational level of visitors and health-recreational benefits are well-known tourist functions.

Tourism as an economic branch in the Republic of Macedonia is under the Ministry of Economy Departments although in many other countries is the portfolio itself. The Ministry of Economy has prepared tourism development strategy 2009-2013, the same has not passed

by the government but the same is applied in practice. The strategy envisages the development of tourism on the natural potentials, clean environment, natural and cultural heritage by creating sustainable product and service.

The strategy aims to increase the number of tourists, income, length etc. In order to achieve these, we should be careful on a number of gaps and implementation requires a number of measures that needs investment and time to realize them.

Development policies should be based on four elements:

1. Promotion of tourism potentials that are available Macedonia
2. Development of main and alternative forms of tourism
3. Improvement of tourist offer
4. Preservation and environmental protection

Measures that are needed for the improvement of the tourism sector are:

- The establishment and improvement of communication infrastructure
- The establishment of new host infrastructure (hotels, motels)
- Categorization of host infrastructure on the basis of the new regulation
- Education and training of human resources
- Marketing (investment participation in tourism fairs and the organization of these fairs to promote tourism potentials)
- Measures that do not remain tourism to be only seasonal
- Improving organizational issues etc.

To accomplish the tasks raised by the Department of Tourism under the Ministry of Economy, we should take a number of measures internally, such as: increasing the number of specialists of tourism within the department, the increase of funds (budget) for promotional activities, information at all levels, etc.

In 2008, government of the Republic of Macedonia founded the Agency for Promotion and Support of Tourism with the sole purpose to institutionalize even more tourism. The agency has had a number of obligations<sup>4</sup>:

1. Preparation and implementation of tourism strategies
2. Professional presentation of touristic potentials
3. Development of a unique system of computerization
4. Preparation of development programs in the country etc.

In 2011 the government established the Committee on Tourism which was part of the Minister of Economy, Deputy Minister of Economy, Minister of Transport and Communications, Ministry of Culture, the Director of the Agency for Promotion and representatives of the Ministry of Interior and Foreign Affairs. The establishment of this committee was aimed for promoting and developing tourism.

In order to develop tourism, municipalities have also competencies to have their own sectors that create development strategies within the municipality.

In 2011 the government decided to reduce the VAT for catering services from 18 to 5% and stimulating steps for tour operators for any tourist coming from abroad while in 2013 started to stimulate travel agencies too.

The question arises, whether are there adequate measures taken by the central and local governments in order to develop tourism as a priority economic branch and if it is treated as an economic branch priority?

The development concept of tourism in Macedonia is older, and by tourism was understood only Ohrid which means for many years the focus was there. Macedonia enables the development potentials in many forms of tourism such as: rural tourism, winter sports,

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<sup>4</sup> Agency for Promotion and Support of Tourism, 2008

mountain, health, hunting, fishing, cultural, eco-tourism<sup>5</sup>, gastronomy etc. Concrete measures for the development of these touristic forms. Also some touristic destinations are left without concrete development programs such as the Sunny Hill (Popova Shapka), Prespa.

Ministry of Economy and Promotion Agency had a budget that was not very rational for e.g 2010 and 2011 the Ministry of Economy had 541 thousand Euros for promotion in Republic level. Other touristic destinations in terms of culture is allocated very few funds, Struga has received about 10 thousand Euros, while Ohrid only for the cultural event Ohrid Summer together with donations that also provides the government goes from 500 thousand to 1 million Euros. Regarding traffic infrastructure, we have delays in their construction and reconstruction, while foreign investments in the host infrastructure (hotels, motels) are few.

The erroneous concept of government policies was Skopje 2014 where was also claimed that Skopje to become a touristic destination, and was invested in cultural objects because the investments are large and the concept of benefit requires very large time period, this means that was wrong investment. Tourism in Macedonia should become a priority economic branch because it has development potential and will enable income and a lot of employments.

The circumstances of variability in the Republic of Macedonia imply a valorization relation. This valorization relation we could summarize by presenting a SWOT analysis through which we presented an evaluation on the current conditions.

The comprehensive qualitative and quantitative appraisal of the current situation of Macedonia as a whole destination can be recapitulated through the following SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis.

#### Strengths:

- Macedonia is a new country in tourism development with well-preserved cultural and natural heritage
- Macedonia is offering a very dense cultural diversity, which is a strong asset;
- Its mountain eco-tourism heritage and resources are very interesting and very well preserved
- The wine tourism “niche” is also an important asset, very trendy today
- More generally, the quality of agricultural produces and culinary and gastronomic heritage and know how
- The existing attractiveness for tourists of Skopje and Ohrid as the touristic highlights of the country
- Existing flight connections of Low Cost Carriers to Skopje and Ohrid
- Airports in both of the two most visited tourism destinations of Macedonia (Skopje and Ohrid)
- Short distances between the different destinations and attractions
- Motivated incoming tour operators due to the existing subsidy program
- Increasing number of overnights by foreigners within the last couple of years
- Visa free entrance for the majority of the important source markets for Macedonian tourism

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<sup>5</sup> Fennel D., *Ecotourism*, Abingdon, New York, 2003

**Weaknesses:**

- Macedonia is still a relatively unknown tourism destination outside the region
- High seasonality in the main leisure destinations
- Low amount of direct flight connections to Ohrid
- Limited financial and human resources within the tourism department of the Ministry for Economy
- Low annual marketing budget in comparison to other countries
- Decreasing number of overnights by domestic travelers within the last couple of years
- Weak organizational structures below the national level
- Limited amount of appropriate accommodation facilities outside the main tourism hubs
- Weak tourism product development on a regional / local level due to a lack of know-how and of financial resources
- Lack of coordination of the various tourism-related activities on a national, regional and local level
- No subsidy program for tourism accommodation facilities or tourism attractions
- No Tourism Satellite Account and irregular visitor surveys
- Grey market of private accommodation facilities
- Poor quality of some tourism facilities (e.g. spas, camping grounds)

**Opportunities:**

- Proximity to strong tourism outbound markets
- Increasing interest in individual travel
- Due to experienced travelers there will be a growing demand for new tourism destinations
- Benefiting from the transit visitors driving through Macedonia
- Lake Ohrid has the potential to become one of the most popular tourism destinations in Southeastern Europe
- Positive development in tourism will lead to an increasing income from the tourism industry for private entrepreneurs and the public administration, will create new jobs and will stimulate additional investment
- Development of attractive tourism products in the surrounding area of existing tourism hubs
- Possibility to develop new tourism infrastructures well-conceived within the framework of sustainable tourism development
- Make use of the new flight connections offered by LCCs by promoting Macedonia as an attractive place to visit in those markets
- Programmed integration in the EU
- A positive development of tourism often also has a positive effect on the overall image of a country

**Threats:**

- Global competition of neighboring countries which offer easily accessible Mediterranean littoral for
- Political and economic instability

- Uncoordinated development
- Insufficient financial resources for tourism development and tourism marketing from the public side
- The available financial resources for tourism development are not used in the most effective way
- Missing concentration on the most important projects, which will really move forward the tourism industry in the country

#### 4. Europe

The continual development of tourism has played an important role in economy branch because this sector has around 4% employed people and contains 11% of the PBN<sup>6</sup>.

In the function of the above mentioned, EU polices rely on four main columns<sup>7</sup>:

- stimulating competition in the tourism sector
- promotion of sustainable tourism
- opening as many as possible workplaces
- financial increment by EU for tourism development

EU polices are in the function of using as many as possible financial instruments. Tourism is supported by the Fund of the Regional Development, Cohesion Fund, Social European Fund, and Agriculture European Fund for Regional Development, Fishing European Fund, IPA Funds and many other funds of EU.

With the development of tourism, as an economic branch in the nineties, appearing as a environmental dimension concern which became an international problem and set in motion institutions for approving protective programs. The European Commission decided in 1993 tourism in the five most important economic sectors of industry, agriculture, energy and transportation which was part of the fifth program of the European community which was about environmental policies and sustainable development.

In this program for tourism, it was given importance mass tourism which creates big environmental problems and it was decided to take measures for the treatment and promoting alternative forms, information and awareness campaign. In 1995 was adopted the so-called "Green Paper" which fulfilled the above measures and supported the idea of developing sustainable tourism.

In 1999 EUROPAC Federation (Pan European Organization in the context of encouragement and protection of protected areas) published the European Charter for sustainable tourism in protected areas, which had in principle to apply the principles of sustainable tourism in protected areas. In 2001 the European Commission published "Sustainable Tourism and Nature 2000" aimed at supporting the previous initiatives by extending their application in areas "Nature 2000" and issued a communiqué on cooperation and the future of European tourism with the document called "Agenda 21".

This document was approved by the European Parliament in 2002 and the same was discussed by the European Tourism Forum held in Brussels. After this, the European Commission issued the document "basic orientation for Sustainable European Tourism" while Agency of Environment reported on the status and trends of development and

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<sup>6</sup> Doka Dh., Draçi B.: Gjeografia e Turizmit, Tiranë, 2009

<sup>7</sup> European Commission, 1995

environment in the future and concluded that the transition towards sustainable tourism will be realized through agreements and ecological programs.

In 2005 the European Parliament issued two resolutions that were related to the importance of tourism as an economic development and social benefits, but also environmental protection in third world countries<sup>8</sup>. The second resolution was to prospects and challenges for sustainable tourism in Europe. Communication of the European Union's new "A new EU policy for tourism" (towards greater cooperation in the European tourism) provided:

- Maximum use of financial instruments
- Review of the legal basis
- Promoting sustainable tourism
- Higher awareness for the environment

In 2007, the group for sustainable tourism of the European Commission presented its recommendations in the report: Action for sustainable and competitive tourism. The report inspired the creation of the European Regional Network for Sustainable and Competitive Tourism (NECSTouR). The international financial crisis also gives adverse effects on tourism as economic branch. In the name of this, in 2009 it was held eight European Forum of tourism in Brussels, entitled Tourism in Europe and recession-new opportunities for a sustainable future.

The conclusions of the forum were:

- Flexibility
- Dynamism
- Creation of new products
- Promotion

In 2010, was formed the panel of the European Commission in a new 4-year term, which set priorities for tourism in the future, such as:

- Stimulating competitiveness in the sector for European tourism
- Promote the development of sustainable tourism, responsible and qualitative
- Consolidation of the European image as a touristic destination with high quality

In the same year, in Malta was held the European Tourism Forum with a single agenda, the implementation of new tourism policy with the following priorities:

- Development of information and communication technology in order to tourism
- Training tourism initiatives
- Virtual tourism observatory, online informative scientific research
- The creation of the label "European Quality", joining existing national and regional schemes

In 2011 the European Commission drew up and published the new program on tourism development while Commissioner Carlo Fidanza reported in the European Parliament that the measures for the development of tourism were presented in the following points:

- Creation of European tourism card where all owners will be offered discount on the price of bids
- Harmonization in the classification of host infrastructure
- Pay attention in security accommodation facilities
- Harmonization in tax policy
- Creation of a task force at the European Parliament where they actually will take part even tourism experts

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<sup>8</sup> European Parliament, 2005a

In 2012 the European Commission published a document that foresaw series of measures but greater priority was given to creating brand for quality of European tourism and free movement of people by mitigating the procedures for obtaining touristic visa. In 2013 the European Parliament and the Task Force on Tourism, held its first meeting where the commissioners referred to the measures taken due to free movement of people (visas), announced a new regulation on the mark (brand) "European Quality" and on the role of Calypso project.

All the measures mentioned above show the importance the EU attaches tourism as a generator of economic development with about 18.8 million employed in this sector in the EU and about 330.44 billion euros of revenue in 2011 and by 2022 is expected to be around 20.4 million of employees and approximately 427.31 billion euro's in revenue<sup>9</sup>.

## **5. CONCLUSION**

Sustainable tourism does not mean only protecting the environment but includes social and economic dimension of the area. The requirements for defining and implementing specific development activities, and the absence of a positive approach for determining the major strategic directions for tourism development in the Republic of Macedonia, require eliminating the existing inconsistencies that have strategic developmental character and renewal of the accepted guidelines. The results that we gained through these studies showed the existence of adverse conditions in the development of tourism which have diverse significance. The Republic of Macedonia is lacking specific tourist products that could be competitive on a regional, European and world level and which would contribute to focusing its activities towards the changing trends of contemporary travel demand. Existing tourism products express a lack of organized approach and intersectional communication for their adequate promotion, organization and management. The EU attaches great importance to tourism and has put it to priority economic branches, because of the services, it provides a great income and employment for many people. But this importance should also reflect in other countries that need to take place in the economy of the countries and facilitate the development of all the main and alternative forms of tourism. In order of this it is a need to create strategies and development programs that should not remain on paper but to be implemented in specific terms with the sole purpose of increasing tourism balance.

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<sup>9</sup> Tourism European Union, 2015