



CASE STUDY:

Tourism Development in the Western Balkans

THE CHALLENGE:

Western Balkans is a region rich in globally significant cultural and natural assets. The competitiveness of this region as a travel destination lies in its rich historical heritage, authentic culture and well-preserved nature. The image of an undiscovered part of Europe sprinkled with historical sites, stunning landscapes, and authentic communities attracts travelers interested in exploration and off-the-beaten-path experiences. While each individual country has a lot to offer, the joint marketing of the Western Balkans as one destination enhances the competitiveness of the entire region. For many travelers, especially those from distance starting destinations, the ability to combine two or more countries into one itinerary based on specific interests or convenience is a large factor in the ultimate purchase decision.

Unfortunately, uneven economic development, socio-political dynamics associated with the break-up of former Yugoslavia, and severe military conflicts in some of the countries has made cooperation in the region difficult. To function as one integrated travel destination (as frequently desired from the demand perspective) countries in the region had to establish effective cooperation to develop joint tourism products (cross-border routes, common themes, joint attractions, etc.), deliver authentic regional experiences and market themselves as one destination.

Tourism and the Local Context:

According to the recently updated long-term outlook and assessment of future tourism trends produced by the UN World Tourism Organization (UNWTO), the number of international tourist arrivals worldwide is expected to increase by an average of 3.3 percent per year from 2010 to 2030. This represents some 43 million more international tourist arrivals every year, reaching a total of 1.8 billion arrivals by 2030. Europe has consistently been the biggest generator of international arrivals and is expected to account for more than 45 percent of arrivals in 2020, maintaining an average growth rate of 6.5 percent. While Northern and Western Europe have seen much slower growth in recent years (Northern Europe: 5 percent in 2011; Western Europe: 3 percent in 2011), Central/Eastern Europe and Mediterranean Europe have been the main generators of growth on the continent (percent in 2011).

The power of tourism lies in its significant economic impacts. According to the World Travel & Tourism Council (WTTC) and Oxford Economics, in 2011, tourism generated 9 percent of the global GDP. One in every twelve jobs (255 Million in total) around the globe is supported by tourism. This is 6 times more than the global automotive industry, 4 times more than the global mining industry and a 1/3 more than the global financial industry. In Europe tourism is the biggest employer, exceeding the auto industry by a factor of 3.

Based on The World Bank publication "Transformation through Tourism Harnessing Tourism for Growth and Improved Livelihoods"



Source: The World Bank, Transformation through Tourism (2012)

The deep political and economic reforms in the last two decades have created a lot of challenges for WB economies. In many countries, historically important industries have declined due to lost markets or economic restructuring. This has led to vast unemployment, increased poverty, and economic decline of entire regions (Table 1). Agriculture remains an important source of living but it is mostly fragmented, inefficient and uncompetitive.

Table 1: Unemployment and poverty figures for WB countries

Country	Unemployment (2011)*	Population below poverty line
Albania	13.3%	12.5% (2008)
Bosnia & Herzegovina	43.3%	18.6% (2007)
Kosovo	45.3%	30% (2011)
Macedonia	31.4%	30.9% (2011)
Montenegro	11.5%	6.6% (2011)
Serbia	23.4%	9.2% (2010)

Note: *Some of the figures might be exaggerated due to hidden unemployment.
Source: CIA Factbook

To counterbalance their serious socio-economic challenges, Western Balkan countries possess a wealth of natural and cultural assets. They are home to ten UNESCO World Heritage Sites, vast areas of protected lands with habitats of rare or indigenous animal and plant species, ancient and colorful traditions, arts, rituals and other intangible cultural heritage (some of which is also included in UNESCO ICT List). Despite the globally recognized value of these assets, some of them have been subject to poor management due to limited funds and lack of capacity. The problem is exacerbated by low public awareness and poverty-driven illegal activities such as poaching, felling, treasure hunting, etc. Amidst this complex combination of challenges, many valuable assets with potential of becoming vibrant tourism attractions remain underutilized and hidden for the world traveler. The lack of development of these is also associated with missed opportunities for revenue generation and other benefits for local stakeholders.

In summary, the major challenge for Western Balkans countries was to overcome differences and find a way to collaborate to benefit from the opportunity that the wealth of natural and cultural assets offers. The tourism industries in the countries needed to expand their thinking and connect with partners in neighboring countries to begin joining their offerings in a regional sustainable tourism portfolio. In addition, they needed to begin positioning themselves as one singular destination that invites travelers for exploration and adventure.

THE INITIATIVE:

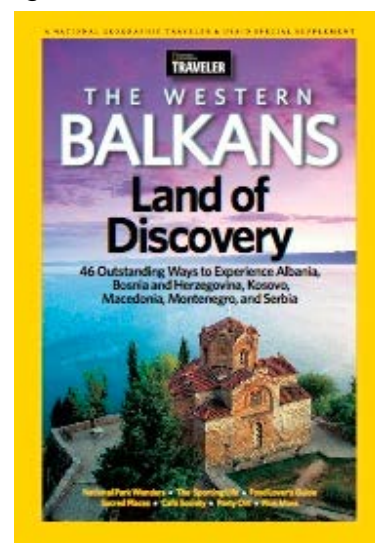
Numerous past initiatives to cooperate in tourism have failed in the past. It was hard to bring two countries around the table, let alone all six Western Balkans countries. The support of the United States Agency for International Development (USAID) Regional Competitiveness Initiative (RCI) Project facilitated the establishment of a regional network of tourism stakeholders who began to realize the value of exchanging best practices and working together. This was a very important first step. Members of the regional network began to realize the importance of cooperation and to see the value of promoting the region together. Multiple meetings and discussions were held and facilitated to achieve that end, but reaching an agreement on how to make it happen was difficult. Another difficulty was that regional initiatives attracted many representatives of donor programs supporting tourism, but rarely motivated active engagement and commitment from the private sector.

What was needed was an initiative so appealing and motivating for all stakeholders in the region that they were ready to put all differences aside and unite efforts. It needed to be an opportunity that was of interest to the private sector to ensure real involvement of the industry.



*Regional Tourism Steering Committee Meeting
Podgorica, December 2011*

In the course of facilitating the search for such a uniting initiative, the RCI team came across the opportunity to develop a promotional insert for the National Geographic Traveler magazine. The National Geographic brand is globally recognized and associated with values that all tourism stakeholders in the region related to. At the same time, the audience of the National Geographic Traveler magazine corresponded to the profile of the travelers that all countries in the region were trying to target. This became the opportunity that brought all interests together. Stakeholders from the region began working together to facilitate the development and publishing of the insert. The activity was partially funded by RCI/ USAID, but required additional investment and active involvement from each of the participating countries. The process was not without difficulties and challenges, but ultimately, the supplement was produced. It was officially presented at different events, but most importantly it was included as a promotional insert of the magazine, reaching over 225,000 subscribers from the UK, Germany, and the Netherlands.



First Page of the promotional insert for the National Geographic Traveler Magazine

Because the National Geographic brand was what efficiently brought Western Balkans countries together, the RCI program saw value in continuing the cooperation with the organization. The next opportunity to cooperate with National Geographic for the benefit of the joint promotion of the region was to support the development of an online MapGuide for the Western Balkans (www.balkansgeotourism.travel). The idea of the MapGuide was to serve as an integrated platform that promotes the region as a single destination, and enables travelers to plan trips that reveal the authentic spirit of Western Balkans countries. If implemented well, it would

become an effective market-access tool for authentic and distinct travel experiences within the region. As all activities involving National Geographic, this program had to be based on the values and mission of the organization. This meant that the MapGuide program naturally facilitated stronger commitment to the principles of sustainability at the regional and country levels. Another important aspect was that the MapGuide featured authentic tourism attractions and small, local tourism service providers who are the true carriers of the local spirit. This



Screenshot from the Home page of the Western Balkans Geotourism MapGuide Portal

meant that the platform was empowering smaller tourism service providers generally have very limited market access.

Given all of these benefits, regional stakeholders were ready to commit to the initiative. Again, the main financial support was coming from RCI/ USAID, but each of the countries was expected to contribute additional funding and to actively participate. The process of planning and developing the MapGuide was facilitated by National Geographic's team, and took regional stakeholders through a planning phase (generating ideas and designing a plan of action), a nomination phase (generating nominations for attractions and service providers to be featured on the MapGuide, and ensuring that they adhere to the sustainability principles of National Geographic), and a launch phase (official launch of the MapGuide and raising awareness among the broader public). Throughout the program, local stakeholders were also exposed to trainings to raise awareness of the *geotourism* principles at the core of National Geographic's value system. National Geographic defines *geotourism* as:

“...tourism that sustains or enhances the geographical character of a place – its environment, culture, aesthetics, heritage, and the well-being of its residents.”

National Geographic encourages the adoption of *geotourism* strategies around the world as part of its mission to “*inspire people to care about the planet.*” By working with stakeholders in the Western Balkans, the organization facilitated increased recognition of the value of the region's natural and cultural assets. Adherence to geotourism principles was the main criteria for nominations in the MapGuide. This stipulation efficiently operationalized the importance of sustainable management of cultural and natural resources.

THE RESULTS:

The Western Balkans National Geographic MapGuide portal was launched in June 2012. Working with National Geographic made regional stakeholders focus on the opportunity of promoting their region under the National Geographic brand and forget about many of the differences they have had in the past. There are several important results that this activity produced:

Facilitate productive regional cooperation

As described earlier, the value of working together was something that many stakeholders in the region understood. The regional network and different joint activities supported by RCI/USAID helped make some progress, but something really powerful was needed to reach a “tipping point.” The National Geographic brand proved to have that power. By inviting National Geographic into the process, and supporting the development of the insert and the MapGuide, RCI/ USAID secured the unification of regional stakeholders. The shared desire to be globally promoted by the National Geographic brand was more important to WB countries than the differences they had.

The regional tourism network has existed as a mechanism for cooperation for some time before the aforementioned activities. The MapGuide program facilitated the creation of a second mechanism for regional cooperation – the WB Geotourism

Stewardship Council. Project activities were entirely based on joint efforts through these mechanisms, so now the tourism industry in the region has two operational and active mechanisms that continue to be effective means for cooperation towards the better positioning of the region as a competitive travel destination. The established cross-country group that worked together on the MapGuide continues to function as an entity that plans and undertakes cooperative initiatives to promote the region on international markets.

Involve private sector

One of the main challenges in facilitating regional cooperation was motivating the private sector to join in on cooperative efforts. In many cases, regional cooperation initiatives attracted private sector representatives, but never to the extent of taking the lead and investing time and resources. The value of being part of an initiative supported by National Geographic generated interest in the private sector. In addition, the fact that the MapGuide became a platform that enabled market access for local businesses that were committed to the authentic spirit of the region energized many tourism entrepreneurs and business owners. During the implementation of the MapGuide program, private sector representatives were engaged, and eventually started taking lead in the planning and coordination activities.

Facilitate Recognition and Prominence for Local Assets

An important challenge addressed during the implementation process was the limited recognition of the many valuable cultural and natural assets of the region. By putting the spotlight on the authentic and the local, the MapGuide program generated more focused attention on the value and hidden potential of underutilized cultural and natural attractions. One of the continuing roles of the Council during the project and now continues to be the identifying, recognizing, and classifying of such sites.

Generate buzz and promotion

The launch of the online portal was marked with a series of promotional events in Washington DC, planned and implemented by RCI (USAID), National

Geographic, and tourism stakeholders from the Western Balkans region. Promotional events included an evening reception at the headquarters of National Geographic, open air exhibitions in downtown Washington, DC and exhibitions at the USAID headquarters. At least 2000 people were exposed to the regional promotion. The promotional events generated word of mouth and active media coverage (at least 3 country- and regional-level televisions, and more than 10 newspapers and online-media sources).

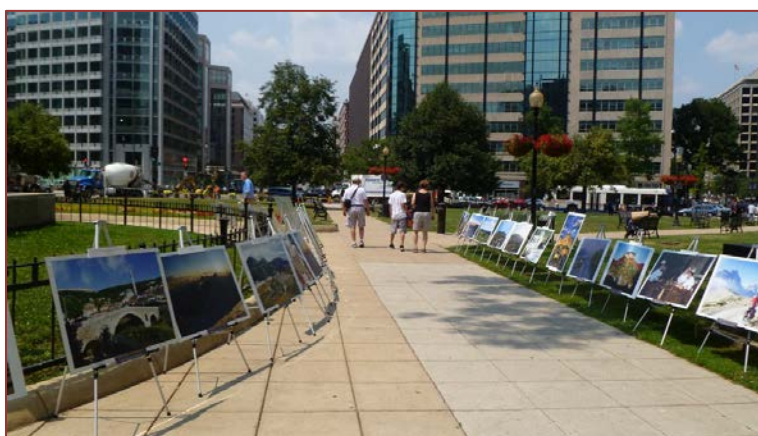


Photo from the Western Balkans Exhibition at Farragut Park Square, June 2012, Washington DC

Generate momentum for next steps

One of the most important results of the partnership with National Geographic was the generated momentum in regional cooperation in to promote the Western Balkans. The excitement that accompanied the launch of the MapGuide, and the enthusiasm of the people who attended some of the promotional activities (exhibitions, receptions, etc.) in Washington, DC inspired regional partners to begin looking for new and interesting ways to work together and promote the region. Council members continue to be in regular communication, and are beginning to utilize contemporary means (such as social media) for promoting the MapGuide and regional travel.

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