



JOINT CENTER FOR ALBANIA-SERBIA RELATIONS

TOURISM COOPERATION BETWEEN ALBANIA AND SERBIA

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Background

Tourism is a powerful tool to bring different countries together. By better knowing one another, people of different cultures and backgrounds will find it much harder to generate feelings of hatred and animosity against each other. Thus, the consolidation of interaction in the area of tourism between Serbia and Albania is very important for the further stabilization of the relations between the countries, since it will not only trigger better economic prospects but it will also positively change the perception that both

nations have towards each other. Both Albania and Serbia have concentrated in the last decade to promote a better image of their respective countries by branding themselves as attractive tourist destinations of the Southeastern Europe region. Yugoslavia used to have an established tradition in the industry of tourism attracting a large number of Western foreign tourists. In Albania the arrival of foreign tourists was ideologically and strictly controlled during the past regime. Both the two countries, as in most other cases



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in Southeastern Europe, have experienced political instability and crises, which have marred and slowed down

their path towards economic development, stability and democracy. On the other hand, tourism was understood by the business economic policies of governments as an important potential in boosting economic growth and employment. However, for a considerable time tourism industry has been considered as a national industry in competition with other countries in the region. Recently, the European Union has set the agenda for a macro-regional approach to economic development and connectivity through the establishment of EUSAIR and Interreg Adrion. An important venue and mechanism of intra-regional and bilateral cooperation is the Adriatic- Ionian Initiative. The macro-regional policy of cooperation devised by the European Union intends to replicate the initial European model of sectoral cooperation and increasing integration as well as to create conditions for more efficiency in terms of economic growth and prosperity than relying only on the national economies

and societies. The EUSAIR initiative stresses the necessity to achieve economic growth and prosperity in the region by making improvements in the region's attractiveness, competitiveness and connectivity¹. In this respect, the individual members of the Adriatic Ionian region, which include also Albania and Serbia, due to the positive impact of an enlarged market and coordination, by branding their region as a tourist attraction shall have more profits rather than remain fragmented into national tourist trades. There are already existing models of intra-regional cooperation in tourism industry. Documents that delineate the policy of the European Union, emphasize that "the tourism sector is not optimally managed or exploited"². The suggestion by the EU is to: "... create a network of sustainable tourism businesses and clusters, to stimulate innovation and create synergies with complementary sectors"³. This policy brief delineates the state of play within the two countries with regard to tourism sector and presents the possible dynamics of cooperation and ever closer contacts between two countries in a more conducive environment set by European Union mechanisms and policies.

¹ European Commission, 2014 http://ec.europa.eu/regional_policy/sources/cooperate/adriat_ionian/pdf/brochure_250914.pdf

² Ibid, p.3

³ Ibid, p.3

Current State of Affairs

Serbia

As a country with a rich cultural heritage, geographically and culturally situated in the crossroads between East and West, tourism industry in Serbia has a lot to offer. For 2014, tourism contributed to 6,1%⁴ of the country's GDP, while the total contribution on employment was at 2,6% (35,000 Jobs). During 2014, the number of foreign tourists visiting Serbia amounted to 2,192,268. They came mostly from Bosnia and Herzegovina, Slovenia, Croatia, Montenegro and Germany⁵. The most important touristic attractions in Serbia are its vibrant cities characterized by their distinguished architecture and unique historical legacy. Belgrade, Novi Sad and Nis are the countries' most renowned cities, visited by a large number of tourists each year. Medieval fortresses, ancient

monasteries and churches spread throughout the country are also important attractions. Furthermore, spa and ski resorts show a lot of potential to become main pull factors for Serbia's tourism industry.⁶

Most of the foreign tourists visiting Serbia come from Eastern European and its neighboring countries. Tourism experienced a sharp decline following the Balkan wars of the nineties and now Serbia is struggling to build a new image for attracting a new wave of foreign visitors. The government has planned to undertake a series of investments with respect to road and spa infrastructure, mountain centers and especially in the coastal area of the Danube, which are expected to boost to significantly tourism sector in the country's economy.⁷ However, Serbia has to overcome a set of challenges that remain serious obstacles to its

⁴ WTTC, "Travel&Tourism: Economic Impact Serbia" p.1, Online: <https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/serbia2015.pdf>

⁵ Djordje Daskalovic, "Serbia 2014 tourist numbers flat – table", Online: <http://wire.seenews.com/news/serbia-2014-tourist-numbers-flat-table-461383>

⁶ WTTC, "Serbia Travel&Tourism Development Potential 2011-2023", Pg.26-29. Online: http://www.wttc.org/-/media/files/reports/special%20and%20periodic%20reports/wttc_serbia_report.pdf

⁷ Serbian Government, "Plans for significant investments in Serbian tourism", Online: http://www.srbija.gov.rs/vesti/vest.php?pf=1&id=114789&change_lang=en&url=%2Fvesti%2Fvest.php%3Fpf%3D1%26id%3D114789%26change_lang%3Den

efforts to promote tourism, such as: Environmental issues, especially with regard to the building of new hydroelectric plants that are seriously threatening the ecosystem of the country's rivers; the damaging of nature reserves by abusive buildings and the underdeveloped hotel and road infrastructure in certain areas of the country, especially in Southern Serbia⁸ and the issues concerning the image of the country, which has been damaged through the latter's involvement in the Balkan wars of the nineties.

Albania

Albania's 476 km long coastline, along with its highlands, national parks, rich archeological heritage and mild Mediterranean climate, should make it a favorable tourist destination country for many foreign and domestic visitors. In 2014, 3,673,000 foreign visitors came to Albania, however only about 300,000 of them preferred to accommodate in hotels⁹. In contrast to Serbia, tourism

in Albania is highly seasonal focused mainly on the summer months of the year. The total contribution of tourism in the country's GDP is at 21%, while the total contribution to employment is 19,2%.¹⁰ Albania's most important touristic attraction is undoubtedly its coastline, stretched from the north to the southern edge of the country. In the recent years the beaches in the northern Adriatic coast and especially those situated in the Ionian coast, otherwise known as the "Albanian Riviera", have been visited by an increasing number of tourists from Western European countries. However, most of the foreign tourists visiting Albania are ethnic Albanians from its neighboring countries such as Kosovo, Macedonia, Italy, and Greece. The country's poor transport and hotel infrastructure and lack of experience and knowhow with respect to its main tourism industry actors, have impeded a major flow of tourists from the Western European Countries. Furthermore, deficient management of urban wastes, expensive airline tickets and informal constructions

⁸ Financial Times, "Big plans to exploit Serbia's untapped tourism potential", Online: <http://www.ft.com/intl/cms/s/0/9b19a9a6-3d83-11e3-9928-00144feab7de.html#slide0>

⁹ Statistics Institute of Albania, INSTAT, Tourism, Online: <http://www.instat.gov.al/en/themes/tourism.aspx>

¹⁰ World Travel and Tourism Council, "Albania, 2015 Annual Research, Key Facts", Online: <https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/albania2015.pdf>

spread in many of the protected and coastal areas¹¹ continue to pose a threat to Albania's efforts to curb tourism. The Albanian government's tourism strategy adopted on 2014, aims to grant tourism sector a new perspective that will transform this branch into a driving force for the whole economy. The strategy provides that some of the most important objectives in this area are as follows: Improvement and development of infrastructure, providing better quality for tourist services, development of human resources for the tourism sector, provision of health and public safety, improving environmental management¹².

Common Issues and cooperation areas

Tourism in both countries suffers from similar issues affecting environment, urban planning and infrastructure. Both countries face a negative image inherited by the past, which still largely

inhibits their tourism industries to massively attract visitors from Western European countries. As tourism products in Serbia and Albania are different, common tourism regional packages would create the premises to a fruitful cooperation between the relevant providers in both countries. As a result, economic prospects would grow and the relations between both countries would experience a new momentum. In this frame, both governments could constitute relevant common working groups, which would address potential strategies of mutual cooperation. Thus, tourism could become a strong pillar in the Serbian-Albanian relations of the future. Infrastructural projects bringing both countries together, such as the Nis-Durres highway would constitute a huge contribution in this respect. Cooperation in the area of tourism, would contribute to the setting of a new positive image, which would clear away the animosity of the past.

¹¹ Gazeta Shqip, Mirjan Topi, "Potencialet dhe sfidat e zhvillimit të turizmit në Shqipëri", Online: <http://www.gazeta-shqip.com/lajme/2014/05/03/potencialet-dhe-sfidat-e-zhvillimit-te-turizmit-ne-shqiperi/>

¹² Ministry of Urban Development and Tourism, "National Tourism Strategy 2014-2020", Pg.27. Online: http://www.zhvillimiurban.gov.al/files/pages_files/Draft_Strategjia_Komb%C3%ABtare_p%C3%ABr_Turizmin_2014-2020.pdf

Tourism Industry: between national competition and regional cooperation

Tourism sector has been usually considered, by governments in the region as a sector of the economy that would lead to increased economic growth as well as a symbol of national identity in terms of cultural heritage, environment and nature. Branding the country as a specific tourist destination has been part of governmental policies in both countries. This policy includes the establishment of so-called national agencies of tourism that oversee and administer this sector in cooperation with local, governmental and industry's units. The governmental policies have been based on tourism strategies that identify the dimensions of this sector, which increase the compatibility of each country in the region. A policy document of the European Union identifies the existing strategies of tourism sector in the Adriatic-Ionian region as following: "Owing to recent history and to weak institutional and

administrative capacity in several participating countries, focus has often been put on establishing national governance arrangements rather than transnational ones. ...most of these arrangements have a strong focus on country-by-country approaches¹³". The Albanian government tourism policies identify seasonal tourism as an issue to be overcome as well as aim to increase the level of cultural tourism, which generally attracts the most tourists from Western Europe rather than from the region. "The discovery of Albania through its natural and cultural attractions is of interest primarily to educated, relatively affluent international tourists¹⁴". Having identified the most needed segment of the tourists to attract, the Albanian government's strategy presents the touristic offer as a unique one: "The country needs to position itself as offering historic and living cultural diversity in a

¹³ Commission Staff Working Document, Supportive Analytical Document, 2014, p.13 http://ec.europa.eu/regional_policy/sources/cooperate/adriat_ionian/pdf/supp_analytical_doc_17june.pdf

¹⁴ Albanian Cultural Marketing Strategy, 2010, p. 37. <http://www.al.undp.org/content/albania/en/home/library/poverty/albania-cultural-marketing-strategy.html>

dramatic and varied landscape. This should compete with the positioning of the neighboring countries¹⁵. The tourism policies of the Republic of Serbia and local or foreign experts have identified certain goals and directions of the tourism sector. Tourist experts involved in international organizations such as World Travel and Tourism Council have advised the Serbian government to come up with a unique and specific tourist brand of the Republic of Serbia. "Going forward, the country needs to identify original links and indeed stories or 'myths' to draw people to it. Ultimately destination branding is just as much about the emotional bonding to a place as what the place has to offer¹⁶". Organizationally, Serbia has established as well a national agency on tourism, named Tourism Organization of Serbia (TOS), whose activities are related to: "positioning of tourist product of Serbia in both local and foreign markets, and tourism valorization of complementary advantages of Serbia, such as its geographical and strategic position, history, cultural and natural identity¹⁷".

During the last few years, the respective governments have made progress towards a different conception of tourism sector by incorporating regional cooperation and strategy. The Adriatic-Ionian policy platform of the EU and the recognition of the multiplier effect of tourism in other sectors of the economy, as well as the positive impact of the economies of scale have provided the impetus for a shift in the governmental policies in the tourism sector. The long-term governmental strategy on tourism has included, as one of its tasks, the regional cooperation and coordination with other states of the Western Balkans to come up with a common touristic product and brand. More concretely this strategy includes integration in regional touristic routes, exchange of the successful practices of tourism industry, and common touristic itineraries in adventure and nature tourism across borders. The Albanian government foreign policy emphasizes cooperation across states of the region within the ambit of the Adriatic-Ionian Initiative including the tourist sector. The ministry that administers the tourism sector in Albania

¹⁵ Ibid, 37

¹⁶ WTTC 2016, "Serbia Travel&Tourism Development Potential 2011-2023 ", p.72 <https://www.wttc.org/research/other-research/serbia-travel-and-tourism-development-potential-2011-2023/>

¹⁷ Adriatic Ionian Initiative, Roundtable for tourism, 2011, p.4

has endorsed “the establishment of common regional touristic package¹⁸”. On the other hand, preserving the national heritage and making it a focus of cultural tourism remains among the priorities of the Albanian government. The Serbian government has also included among its strategies as part of the Adriatic-Ionian Initiative intra-state cooperation in the sector of tourism. During its rounds of the chairmanship of the Adriatic- Ionian Initiative, the Serbian government emphasized that it supports “Regional Cooperation Program for the co-financing of trans-border cooperation projects for the priority areas, [among others] Tourism...¹⁹”.

Ever Closer Contacts

Recently, some positive steps have been taken that increase the cooperation between Albania and Serbia in the sector of tourism. In September last year, the Albanian government and the Serbian government signed an agreement on tourism cooperation. The agreement is part of the broader effects of the

Berlin Process that enhances regional cooperation in Western Balkans. This particular agreement foresees Serbian investments in the tourism sector, especially in Durres²⁰. On the other hand, different actors such as tourist operator agencies have started to introduce tourist attraction zones of both countries. PanaComp, a tour operator agency in Serbia and the Balkans dedicates a complete description to the rural tourism in Albania including the most touristic areas, the products and investment possibilities²¹. An Albanian tourist agency operator²², Elite Travel Agency, mentions that there has been already cooperation between private tourist agencies of Serbia and Albania. On the other hand, representatives of this tourist agency recognize the potential for improving the existing cooperation and require more concrete steps and intervention on behalf of the state agencies. Albania has been transformed into an attractive touristic travel destination for Serbian citizens. Serbian media indicates that for the summer of 2015, Albania was placed by a number of Serbian touristic agencies as a top destination before Montenegro and Greece. What needs

¹⁸ <http://www.albaniantravel.info/AlbanianTravel/italian/item/konferenca-e-turizmit-nis-ma-adriatiko-joniane>

¹⁹ Belgrade Declaration of the 14th Adriatic Ionian Council, 2012, p. 4

²⁰ <http://invest-in-albania.org/albania-and-serbia-to-collaborate-in-the-tourism-sector/>

²¹ http://dokmans.com/pana/village_tourism_albania

²² Interview with representative of this tourist agency, March 2016

to be mentioned is that, according to Serbian media reports, the old prejudices on Albania have been waning by Serbian citizens, those living in Belgrade, young and old²³. A study conducted by AIIS on Albanian-Serbian relations as perceived by the Albanian public revealed that “the lack of communication for a long time between Albanian and Serbian citizens to be a considerable obstacle²⁴”. However, the number of Albanian citizens that have visited Serbia has been low: “Out of the people who travelled to Serbia most of them 29.5 percent had been there for tourism while 23.8 percent

had been just transiting to another destination²⁵”. At the governmental level, a Serbian government representative has indicated as priorities in regional cooperation and intra-state cooperation with regard to tourism sector: “the development of rural tourism, and the integration of the tourism offer with other countries connecting coastal and continental tourism²⁶”. The initial practices and steps of closer contacts between Albania and the Republic of Serbia are rather positive. Yet, improvements are needed to enhance and normalize the relations.

²³ <http://ekonomia-ks.com/?page=1,7,374769>

²⁴ AIIS, Albania-Serbia Relations in the Eyes of the Albanian Public 2015, p.24

²⁵ AIIS, Albania-Serbia Relations in the Eyes of the Albanian Public 2015, p. 33

²⁶ Adriatic Ionian Initiative Round Table on Tourism, 2014, p.2

Policy Recommendations

- Enhance and facilitate the cooperation between private tourist associations and agencies of the respective countries especially those involved in cultural tourism
- Establishment of intergovernmental working groups addressing the potential cooperation of tourism industries in both countries
- Construction of the Durrës-Nis highway and establishment of regular flights between Tirana and Belgrade
- Promotion of common tourism packages by the relevant line ministries, including the most valuable tourist attractions of Albania and Serbia
- Exchange best practices in touristic products of mutual interest such as rural tourism
- Transform regional initiatives such as Adrion, Interreg, and Adriatic-Ionian Initiative into loci of policy development in relation to tourism
- Increase the flow of youth exchange through educational and cultural programs between the two countries.