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TOURISM AS A POTENTIAL CONTRIBUTION FOR SUSTAINABLE DEVELOPMENT IN BIH

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ABSTRACT:

At a time when Bosnia and Herzegovina (BiH) is one of the least developed countries in Europe, and when most of economy's sectors are underdeveloped; it is very hard to say what should be considered as a starter of economic development. Authors consider tourism sector as a field that could contribute the most, and as a field that has biggest chances and opportunities to increase economic well-being of people in BiH. The research is consisted from set of data that proves and defends statement that tourism is sector that can be most useful for BiH economy and if the plan for tourism development is carried out systematically it could make rapid economic growth, with the long-term and sustainable development.

Keywords: Economic Progress, Tourism sector, Sustainable development, Bosnia and Herzegovina

JEL Code: L83

1. INTRODUCTION

In the today's dynamic world and time of globalization every country, city and company is influenced and confronted with more threats but also with more opportunities. So every chance or opportunity must be used, and maximum should be taken from it. One of the most popular terms today is global economic crises, so we can say all of these units must deal with that crisis. Most of the countries, companies, or more precisely most of the people are influenced by this crisis in the bad way, but some of them see the chance in these hard times, and take advantage from that chance. If we already know that, with the higher risk there is higher potential profit, we can conclude that this small group of organizations or people who see and use that chance will earn some extra profits.

It is same with the Bosnia and Herzegovina and its chance for development. One of the fields it should be invested in its economy, most important sector in some well-developed countries. So, in this paper we have made a research to point out that BiH should consider tourism as one of initiators of country development. (Agency for statistics of BiH; Stimulus to sustainable tourism; Sustainable tourism; Technical assistance to support the tourism industry in BiH; The Tourism Strategy Company; Sarajevo, the bridge of cultures)

Data has been collected by conducting a survey. Analyses were done in SPSS program, but also some secondary data have been used to get conclusions needed for the research. Work has been divided into three parts. In the first part present situation in BiH tourism is subject of

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analysis. Advantages and disadvantages for BiH's tourism were shown, and we have seen which parts should be changed or developed the most. Second part is the cooperation of tourism sector with some other economic sectors in BiH economy. In here last 15 years, period after the war has been analyzed and actual and potential growth has been presented as well. The third part is core of this research, where we have made some conclusions, explain and analyze possible strategies for development, and see what is possible to do, or what shouldn't be object of interest.

2. LITERATURE REVIEW

Scientists have different opinion about that when tourism become socio-economic phenomena, but most of them agree that its development started at the end of 18th and beginning of 19th century. With starting of modern tourism development scientists began to research this topic seriously. Tourism management and marketing in tourism became important subjects in the universities all around the world. During the 20th century a lot of books and articles were written, but also there were books written before. In 1933 English writer F.W. Ogilvy in book "The Tourist Movement", defined some important terms for tourism. During the same period, D. Bodioa, A. Nicifor, J. Norval, H. G. Clement, were important authors, but they were explaining and considering facts about tourism influence on Balance of Payment.

In the next two decades authors have expanded the topic of tourism and made explanations of some new terms and characteristics of tourism industry. Most important authors were W. Hunziker, K. Krapff, P. Berneckera.

The authors mentioned above could be useful for theoretical part of this paper, but some articles that were written in the last 10 years will be more useful for the research and exploratory part. Here is the list of some articles:

- „Tourism development and the tourism area life-cycle model“,
- „Traditions of sustainability in tourism studies“, Jarkko Saarinen,
- „City Branding and Identity“, Müge Riza,
- „Challenges of sustainable tourism development in the developing world: the case of Turkey“, Cevat Tosun,
- „Planning tourism employment: a developing country perspective“, Abby Liua, Geoffrey Wallb,
- „More than an “industry”: The forgotten power of tourism as a social force,“ Freya Higgins-Desbiolles,
- „Planning and developing tourism within a public sector quagmire: Lessons from and for small countries“ Adrian Devine, Frances Devine,
- „City branding and the Olympic effect: A case study of Beijing“, Li Zhang a, Simon Xiaobin Zhao

3. METHODOLOGY

First of all there is a necessity to make a systematic collection of data and analyze them in the way they would serve the purpose. Among other secondary data there are statistics on the number of tourists visiting Bosnia, on revenue in tourism, accommodation, restaurants, and travel agencies. Other data that are necessary for certain parts of the study were collected through a questionnaire, and processed in an appropriate software program.

3.1. Sampling, data collection and methods

Kumar, Aaker and Day (2002, page 68), suggest an approach of the procedure for marketing research: In the first phase problems of research are defined. Next phase was collecting necessary data, in this case primary data. After appropriate questions were organized in one questionnaire, these were sent to the potential respondents. In this case snowball sampling method of collection answers was used. Because it was necessary to find out opinion and attitudes of the respondents, questions are structured by measurements scales (nominal, ordinal, ratio and interval). Likert scale was also important for the measuring level of agreement with the statements.

Questionnaires for local people and domestic tourists were quite different from the questionnaires delivered to foreign tourists and citizens. Google.docs.com was used for conducting the survey.

3.2. Results interpretation and analysis

In this part of the paper the results of the survey is given. It is necessary to see the real opinion of tourists and local people about the Bosnia and Herzegovina, how they perceive this country, characteristics of tourism destinations, attractions and infrastructure. It will be determined how they see the future of tourism sector in this country and what their opinion about tourism potentials in BiH is.

4. Research findings

Many of current authors on sustainable tourism development agree that community is central figure of that. The simplest definition of community is *a group of people who live in the same area, such as city, town or country*. For our research work it will be crucial to see and understand local people and foreign visitor's opinion about tourism in BiH. Another important factor for this analysis and all economic indicators is general atmosphere of elements that are influencing chosen variable.

Visitors and tourists are the most important indicator of all tourism sectors in the world. To see how successful tourism is branch of specific destination the most important indicators are number of visitors, nights spent in that destination, their opinion and level of satisfaction, etc. In this case, visitor or tourist is *person who is willing to pay for service*.

According to research works done for tourism development and opinion of the people about specific touristic destinations two different types of factors are attempted to be explained and obtained. These are tangible and intangible. For example, researcher is able to analyze questions such as what is *the number of the attractions in specific touristic destination* or *number of rooms available for visitors*. This example is tangible factor and it is easy to analyze and get the desired result. Intangible factors are not measurable and answers on intangible questions are given according to respondent's opinion. For example, it is very hard to measure *'what is the kindness and hospitality of local people or level of services in hotel and restaurants'*. These are all problems that will be tried to be mitigated to get the best possible results of the analysis.

4.1. General characteristics of the respondents

The purpose of this analysis is to explore opinion about BiH tourism, it's image, possible options for future development, advantages and disadvantages in mind of local people and local tourists on one side, and foreign tourists and citizens on the other side. Table 1 shows the general characteristics of residents and foreign people.

Table 1: General information about respondents

	Residents (n = 80)		Foreign (n = 53)	
	Frequency	Percentage	Frequency	Percentage
Gender				
Male	56	70	28	52.8
Female	24	30	25	47.2
Age				
15 - 25	32	40	13	24.5
26 – 35	24	31.3	22	41.5
36 – 55	10	12.5	12	22.6
55+	13	16.3	6	11.3
Marital status				
Married	29	36.3	16	30.2
Single	51	63.8	37	69.8
Education				
Primary school	14	17.5	7	13.2
University	29	36.3	34	64.2
Other	37	46.3	12	22.6

Table 2: Reason for visiting BiH and foreign tourist's source of information about Bosnia

	Foreign (n = 53)	
	Frequency	Percentage
Reason for visiting BiH		
Vacation	12	22.6
Event	17	32.1
Business	13	24.5
Friend/family	3	5.7
Other	8	15.1
Source of information		
Friend	17	32.1
Internet	21	39.6
TV	6	11.3
Newspaper	3	5.7
Other	6	11.3

For this research 80 domestic tourists and local people and 53 foreign tourists participated in the questionnaire. Research has shown that 56 (70%) of local people were male and 24 (30%) female, while structure of foreign respondents was 28 (52.8%) over 25 (47.2 %). Looking their age it is obvious that the highest percentage of local people were between 15 and 25, which is 40%. Reason for this high percentage is because questionnaire was delivered to one group of students. In the group of foreign tourists the highest percentage is in a group of age between 26 and 35, and most of the respondents in both groups is single and have university education.

Most of the foreign tourists come to Bosnia and Herzegovina to visit events (32.1%), because of the business (24.5%) and to the vacation (22.6%). Others are coming to visit their family or friends and because of some other reasons.

4.2. Potentials of BiH tourism sector

People who live in touristic destinations and visitors are important part of future development strategies, so their opinion was included in the research. They were answering questions about potential tourism types that could be developed in BiH, advantages and disadvantages of present state of tourism variables. All answers were analyzed and also relations and differences between their thoughts are presented in next few tables.

Table 3: Potential tourism types

	Local people		Foreign tourists	
	Frequency	Percent	Frequency	Percent
Culture tourism	13	16,3	13	24,5
Historical	15	18,8	10	18,9
Religious	12	15,0	7	13,2
Sport and recreation	15	18,8	6	11,3
Event tourism	12	15,0	2	3,8
Marine tourism	3	3,8	2	3,8
Other	10	12,5	13	24,5
Total	80	100,0	53	100,0

Seven different tourism types were offered to them: cultural tourism, historical, religious, sport and recreation, event, marine and other types of tourism. Thirty five point one percent of local people and 43.3% of foreign tourist think cultural and historical tourism types could have the most contribution to the total progress of tourism sector and could see the most success. It is expected, because BiH as a touristic destination owns a lot of cultural and historical resources and huge percentage of tourists visit BiH because of these resources. Event and marine tourism are considered as types that don't have enough qualities to be developed. Less than 7% of all respondents chose these 2 types as an advantage for future tourism development, which is also expected result. Exceptions are local people (15%), which think BiH could develop event tourism. Reason for this can be found in their knowledge about events that are organized in Sarajevo and BiH, and these events could attract tourist from Europe, but it is obvious tourists are not informed enough. Lack of marketing and promotion is reason why these events are only local manifestation, but could become much more.

Table 4 and table 5 represents local people and foreign tourist's opinion about advantages and disadvantages of BiH tourism variables. As it is possible to see, their answers are different, and relation of the answers will be tested by correlation analysis.

Table 4: Advantages of tourism system

	Residents		Foreign tourists	
	Frequency	Percent	Frequency	Percent
Cultural and historical heritage	14	17,5	18	34,0
Nature	37	46,3	12	22,6
Hospitality of local people	12	15,0	15	28,3
Number of events	17	21,3	8	15,1
Total	80	100,0	53	100,0

While observing advantages, most of the residents (46.3%) agree that the biggest opportunity for tourism industry is Bosnian nature. Other elements have similar percentage of answers: cultural and historical heritage (17.5%), hospitality of residents (15%) and number of events (21.3%). Answers of foreign tourists are different and most of them think that Bosnian chance is in a number of culture and historical resources (34%), while for the nature and hospitality of the local people voted 50.9% of the foreign respondents.

Table 5: Disadvantages of tourism system

	Residents		Foreign tourist	
	Frequency	Percent	Frequency	Percent
Accommodation capacities	25	31,3	12	22,6
Number of attractions	9	11,3	10	18,9
Transport	30	37,5	13	24,5
Tourism infrastructure	12	15,0	11	20,8
Other	4	5,0	7	13,2
Total	80	100,0	53	100,0

The survey offered few unexpected results, which can be seen in table 5. Most respondents said accommodation capacities and transport are the biggest disadvantage or weakness for the tourism of the country. Local people believe that transport (37.5%) and accommodation capacities (31.3%) are elements that are on the lowest level, while foreign tourists consider same variables for the biggest weaknesses. The surprising from the results is that tourism infrastructure as a disadvantage is assumed by only 15% of local people and 20.8% of foreign tourists. It is true that accommodation capacities and transportation infrastructure must be renewed, but all tourism infrastructures could be considered as a disadvantage for tourism of BiH.

4.3. Ranking of a main qualities of BiH tourism offerings

In this part of analysis domestic and foreign tourists were evaluating performances of BiH tourism variables, such as: accommodation, cultural and historical attractions, service, hospitality, prices, night life, tourism infrastructure and natural attractions. The respondents were assigning marks by Likert scale, from 1 to 5 (1 = very good, 5 = very bad). According to the results, average value of 8 characteristics of BiH and its tourism sector was found out. In the second part of the analysis ANOVA TEST was conducted. The differences between answers and opinion of domestic and foreign tourists were analyzed

Table 6: Mean and standard deviation of BiH tourism characteristics

Variable	Local people and domestic tourists		Foreign tourists	
	Mean	Stand. D.	Mean	Stand. dev.
Accommodation	2.83	1.321	2.57	1.233
Cultural-historical attractions	2.24	1.117	2.4	1.23
Service in hotels and restaurants	2.33	1.277	2.42	1.184
Hospitality of local people	2.09	1.245	1.96	1.018
Prices	3.04	1.23	2.64	1.039
Night life	2.29	1.009	2.3	1.049
Infrastructure	2.66	1.252	2.32	1.123
Natural attractions	1.73	0.851	2.11	1.187

In Table 6 it is possible to see ranking of comparative overview and opinion of domestic and foreign tourists about some important variables of tourism. As mean is closer to 1, variable is ranked better, and tourist opinion is better. On the other side, as its mark is closer to 5 it is getting worse. Mean of variables calculated from the group of local people is between 1.73 and 3.04. Their best opinion is about natural attractions, most probably because they are well informed about the natural beauty of Bosnia as a country. The worst mark they were assigning is to the prices of tourism important elements. It was expected, because life standard and prices in BiH are not adjusted and harmonized. Other group of respondents, foreign tourists, has a quite different opinion. Mean is in a range between 1.96 and 2.64. They assigned the best marks to the hospitality of the local people, while prices are also higher than they expected. Even they assigned worse marks to the prices, they think that prices are normal, while local people think that prices are high.

4.3.1. ANOVA-Test

ANOVA analysis uses the F – statistic which is based on the comparison of two estimates of variances one representing the variance within groups, and the other representing the variance due to differences in group means. The *null hypothesis* is there is no difference among the group means and alternative hypothesis is at least one group has a different mean.

In this case, our null hypothesis is that there is no difference between opinion of domestic and foreign tourists about mentioned 8 tourism variables, or arithmetic mean of populations are equal.

$$H_0: \mu_1 = \mu_2 = \mu_3 = \dots = \mu_k$$

Our alternative hypothesis is there is at least one arithmetic mean different from the other means.

$$H_1: \mu_i = \mu_k$$

For proving or rejecting the hypothesis we consider the F-statistics by considering the d.f. (degrees of freedom). Difference between groups is greater as F- ratio is larger. If F-ratio is 1 or less there is no difference between the groups and our Null-hypothesis is correct. The results are given below.

In our case, the highest F values are calculates for variables of accommodation capacities, infrastructure and prices of tourism elements. Service in hotels and restaurants has the weakest F value, which means difference in answers of respondents is less varied. The significance value is expressed as 0,000, and it can be concluded that null hypothesis is rejected. For accepting the null hypothesis value in the last column must be higher than 0,01. The results of the analysis show that opinion and answers from the questionnaire given by local people and foreign tourists are different.

Table 7: ANOVA- Test of chosen BiH tourism variables

	Sum of Squares	df	Mean Square	F	Sig.
Accommodation					
Between Groups	29,009	4	7,252	68,705	,000
Within Groups	5,067	48	,106		
Total	34,075	52			
Number of cultural and historical attractions					
Between Groups	8,930	4	2,233	27,217	,000
Within Groups	3,938	48	,082		
Total	12,868	52			
Service in hotels and restaurants					
Between Groups	7,500	4	1,875	18,174	,000
Within Groups	4,952	48	,103		
Total	12,453	52			
Local people hospitality and kindness					
Between Groups	10,053	4	2,513	50,264	,000
Within Groups	2,400	48	,050		
Total	12,453	52			
Prices					
Between Groups	23,064	4	5,766	54,004	,000
Within Groups	5,125	48	,107		
Total	28,189	52			
Night life and number of events					
Between Groups	11,486	4	2,871	37,410	,000
Within Groups	3,684	48	,077		
Total	15,170	52			
Infrastructure					
Between Groups	27,933	4	6,983	55,947	,000
Within Groups	5,991	48	,125		
Total	33,925	52			
Natural attractions					
Between Groups	8,203	4	2,051	26,717	,000
Within Groups	3,684	48	,077		
Total	11,887	52			

5. Conclusion

The purpose of this research is to determine real qualities, advantages and disadvantages of all tourism segments in BiH. The fact is that Bosnia as a country needs a strategy for tourism developments. It is necessary to find the way to progress, to see where the greatest opportunity is and who the potential economy starters are. Tourism and offerings of the touristic destination cannot be “everything to everyone”, so segmentation is required for BiH. Other important fact is that tourists want to see something different. Their final destination must be unique and own some qualities that are not found on other places and destination.

Many things must be changed in BiH to have success in tourism sector. First of them is to change political atmosphere. During the last 30 years the country is in phase of economic and political stagnation, and crisis is component of all economy segments. Political instability is reason why the crisis occurs for a many years in BiH. Another result of this instability is bad organization of tourism sector. Authorities are not supporting businesses and don't show any

interest for the progress. Second element that must be changed is bad image of BiH in eyes of European people, mostly because of the war. Changing of this image and perception could be very hard and long process but without succeeding in it development of tourism is not real option. Image of destination is crucial factor in every well developed touristic place. To achieve this goal good marketing and promotion strategy must be conceived. However there are positive examples as well, such as cities of Mostar and Sarajevo, rivers Una and Neretva and mountains Bjelašnica and Vlašić who have received great boost in marketing and promotion in the last years.

Branding of BiH as a country or Sarajevo as a city is one interesting solution and could have the most contribution to the tourism development. Branding destination is strategy of many successful touristic places and attracts enormous number of visitors. But to make brand of the place excellent promotion strategy, enough financial funds, time and good organization of this process are required. Conclusion is that BiH owns all necessary qualities and resources for developed tourism industry, but many things should be changed and a lot of effort and resources must be invested.

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