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CHALLENGES IN CROSS-BORDER TOURISM REGIONS

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ABSTRACT

This paper examines the tourism issues related to international borders. The discussion is framed around an example of countries with strained border relations specifically Bosnia-Herzegovina, Croatia and Montenegro. The challenges associated with border trade in tourism and the barriers associated with collaboration between destinations are explored. Through a quantitative instrument administered to public and private tourism organizations specific micro challenges are identified for a border region in the Southern-Adriatic.

Key Words: Bosnia-Herzegovina, Croatia, Montenegro, Borders, Tourism, Collaboration

INTRODUCTION

The former Yugoslavia was a multi-ethnic state in south-east Europe divided administratively between six republics: Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, and Slovenia. Yugoslavia developed as a major destination for western tourists seeking sun, sand and sea tourism in the early 1960's. This development was a result of the federal government's choice to develop and market tourism on a model similar to the Western Europe and less on the level of tourism practices in the USSR and its satellite countries. Through the 60's and early 70's much of the tourist development occurring within the former Yugoslavia took place along the coastline. This coastline largely consisted of areas within the republic of Croatia. Croatia was the most successful earner of foreign currency through tourism for the former Yugoslavia. By the early and mid 1980's Croatia's coastline was one of the top destinations for Europeans on the same levels as sun, sand and sea destinations in Spain and Greece. For the far southern-Adriatic as defined by this report the Old Town of Dubrovnik in Croatia and Kotor in Montenegro are the major attractions for the border countries involved. Before the war in 1991, that separated these two destinations politically, they had strong ties as tourist destinations between each other under one regime. The well known Atlas travel company of Dubrovnik offered many daily tours around regional destinations in and between Bosnia-Herzegovina, Croatia, and Montenegro. Sites that made the region attractive regardless if one was arriving / staying in Bosnia-Herzegovina, Croatia, or Montenegro included such places as the Bay of Kotor, Cavtat, Dubrovnik, Medugorje, and Mostar. The Adriatic highway, coastal ports and marinas, and importantly for the Southern Adriatic the Dubrovnik airport in Cilipi supported international access to these tourist destinations. With the advent of the war and the break of Yugoslavia these traditional tourist sites became less accessible depending whether one arrived from one of the three regions and depending on your place of origin and citizenship.

METHODS

Three meetings and conferences sponsored by The EastWest Institute: 1) *Promoting Cooperation in the border areas between Montenegro, Croatia and Bosnia and Herzegovina*, December 2000 Dubrovnik, Croatia 2) *Tourism and SME development in the border regions of Croatia, Montenegro and BiH Identifying Cross-border Priorities for Action* June 3rd 2002 Dubrovnik Croatia, and 3) *Southern Adriatic Transfrontier Cooperation Forum* September 28-29 2002, Dubrovnik, Croatia, resulting in a combined attendance of approximately 200 were used as ad hoc grounds for understanding the issues facing cross-border tourism between Bosnia-Herzegovina, Croatia and Montenegro and for developing the field survey. The field survey and data collection, which was used as the foundation for this paper, was administered to 44 respondents. These respondents were made up of four broad categories: Business enterprises, Government, NGO's-Associations, and Tourist Boards. Respondents consisted of 43% from Croatia and 57% from Montenegro. Since this research was funded through the EastWest Institute's Southern Adriatic Project which included Bosnia-Herzegovina (County of Trebinje), Croatia (border area of Dubrovnik-Neretva County) and Montenegro (Bay of Kotor and Budva), an attempt to cover all three areas in this tourism study was made. However since the area covered as part of the Southern Adriatic Project does not extend far into traditionally popular tourism locations in Bosnia-Herzegovina like Mostar and Medugorje no tourism respondents were sampled in the Trebinje County of Bosnia-Herzegovina. Therefore the primary research in this study pertains to cross-border issues between Croatia and Montenegro only. The survey was administered primarily in-person by a native speaker and translated into the local language by an official interpreter for use when conducted by mail and fax. Insights and analysis was also guided by the authors work in the region since 1998 and a research fellowship in 2001 sponsored by the U.S. Department of State that focused on interorganizational relations among tourist organization in Dubrovnik-Neretva County of the southernmost Dalmatian region of Croatia.

It is important to note that in the following sections when someone is referred to as Croatian or a Croatian respondent or a Montenegrin respondent or from Montenegro that this only denotes that the respondent's organization is located in that country. None of the respondents or people interviewed informally were asked to identify their nationality. To avoid mistakes associated with the different spellings of place names and use of local accents, the English equivalents have been used in all cases. All errors in the document are completely the responsibility of the research team and it is with the best of their knowledge that none exist.

BORDER PERCEPTIONS AND CHALLENGES

Having a shared focus of common problems is often a necessary first step in fostering collaborative working relationships. Therefore it was necessary in this research to determine if both countries have similar views of the current border situation. The question then is do they see any problem with the current border situation and if so are these problems similar. All of the organizations business and public on both sides of the border reported having no problem conducting business in the other country. However, privately off the record each side reported being verbally treated poorly at the border crossing by officials. The most commonly identified problems revolve around the physical conditions and staffing at the border. There appears to be some concerns that the process delays travelers crossing from Montenegro to Croatia but this appears to be less of a problem for those traveling from Croatia to Montenegro. This points to a problem less shared by Croatia expressed by the

Montenegrin side concerning visa requirements. This problem presents a great challenge because there is the present belief that Dubrovnik is more oriented towards Western tourist markets and that Montenegro is more oriented towards attracting Eastern European markets along with former Soviet republics. This being real or perceived in either case organizations (public, private, business, government group) from Croatia likely feel that associating their destination with destinations in Montenegro would be seen as downgrading the quality of their product strategy.

In order to address both mutual and dissimilar problems it is necessary to have the proper organizations in place with the tools, knowledge and funding not to mention the interest to accomplish such political and challenging items. Respondents from Croatia and Montenegro were asked about three broad areas concerning organizational capacities to work on issues pertaining to cross-border collaboration. When both sides were asked if they were aware of any organizations (public, private, business, government group) that are currently developing tourism between the countries around the border area two were identified. In Croatia about 5% said YES and identified the DEG (Deutsche Investitions und Entwicklungsgesellschaft, mbH). Respondents from Montenegro (44% YES) also identified the DEG. The DEG is a German development initiative with an office in Dubrovnik that has been developing a regional master plan for tourism in Croatia and Montenegro. Both sides identified three organizations unanimously as the best organizations prepared to coordinate cross-border tourism development: Ministry of Foreign Affairs, Ministry of Tourism, and local tourist boards. These organizations were not only identified as best prepared to coordinate tourist activities between both sides, but also as the organizations that should be responsible for cross-border initiatives.

In many successful cases around the globe concerning cross-border collaborations in tourism a specific organization has been formed to coordinate the improvement of the border region in question. Therefore respondents were asked if such an organization was needed. There was a very bipolar response to this question with 88% of the Montenegrin responses responding with YES their does need be a formed such an organization, and about 90% of the Croatian respondents saying NO there doesn't need to be such an organization. In both cases each side supported their NO responses with the feeling that existing organization like the Ministry of Tourism and the Tourist Boards were adequate enough. Respondents did believe an organization may help with cross-border transportation of both tourists and commerce. It was also reported that such an organization would be beneficial in improving the flow of information to both sides, and help in collaborative marketing and promotion. The respondents identified some of the main challenges to creating such a cross-border organization as: the potential lack of financial support, lack of trust to work together as a result of the war, and also the potential of increased bureaucracy. The same question was posed at the *Southern Adriatic Transfrontier Cooperation Forum* September 28-29 2002, Dubrovnik, Croatia. And the response was overwhelming against the creation of a cross-border organization or group to coordinate cooperative efforts in the tourist sector. While in the survey research almost 90% of the respondents from Montenegro said YES for the creation of such an organization this predominately non-Croatian audience at this conference said NO to the idea. The main reasons identified for the lack of support for such a cross-border organization were: the feelings it would be bureaucratic, appears as if someone was supporting reunification and also be seen as a top-down approach the issues at hand.

The ease and convenience of border crossing is an obvious necessity for the movement of tourists to new destinations and thus impacts whether they have a positive or negative experience. Therefore respondents from both sides were asked to give their opinions to whether the border needs to be made more convenient for both locals and tourist to cross. In the case of foreign tourists there was almost 100% agreement that the border should be made more convenient to cross. Both sides believed that making the border more convenient and easy to cross would increase group and tour excursions business. It was also stated that this would lead to a greater sense of safety and security in the region. From the Montenegrin perspective easing the visa regime for Eastern European visitors is important as these markets play an important role in their tourist sector. Yet some of these markets are hindered from entering Croatia to visit Dubrovnik by current visa requirements. Respondents were also asked hypothetically if the borders were made much more open and easier to cross whether this would bring benefits to their tourist sector. About 16% of the Croatian respondents said YES and all 100% of the Montenegrin respondents responded YES. This data highlights an important issue for cross-border tourism collaboration. That is that the city of Dubrovnik continues to be the core attraction for this part of the Adriatic, and likely has greater capacities to be a competitive tourist destination on its own when compared to attractions around the Bay of Kotor and Budva in Montenegro. Croatian respondents do see benefits such as: greater excursion choices and experiences for their visitors, more business for the Dubrovnik Airport in Cilipi, and the possibility of more income for villages in Konvale, and greater use of the Casinos in Cavtat, but they are all viewed as insignificant.

Coordination to improve cross-border tourism issues is very likely not perceived as a precondition or necessity for tourism success on the Croatian side of the border. The beliefs on the Montenegrin side of the border that much more open borders and collaborative efforts would bring the tourist sector and the communities that live of it greater benefits is likely associated with the added value their destinations would have if they were providing their tourist markets easier and greater access to Dubrovnik. This is not an uncommon effect in the tourism sector where major attractions support and create a spillover effect in causing the growth and support for other attraction around its periphery. Before the war all of these regional attractions supported each other by making a visitor primary destination more attractive knowing that they could easily travel to other attractions in the area with very little complications. Croatian and Montenegrin respondent unanimously agreed that if a visitor when entering their country was automatically given permission to enter the other county that the tourist would likely visit the other country. Both sides identified that they belief tourists like experiencing new places and getting a new stamp on their passport is often a motivating factor. The fact that the border is so close to Dubrovnik and Kotor it is seen a positive draw for tourists and it is agreed by both sides this would help diversify their present tourist offer. The most often mentioned benefit of greater cross-border cooperation for the tourism sector is this research has been two fold. One that working together would create a greater sense of safety and security for those crossing the border. Also it would increase the number of visitors and excursions to each county. While it was mentioned that greater collaboration would break down some of the “prejudices” that exist from the war this was not an overwhelming theme. The border does offer a great opportunity to present stability and safety in the region and improve the traveling experience of visitors to each country. However the degree of perceived opportunities and benefits leans more towards Montenegro. The only likely way to speed of realization of such opportunities is to demonstrate to the Croatian side that somehow they need the characteristics of the area around Kotor to enhance

their offerings. This may not occur on its own until Montenegrin side improves and develops its tourist offering further.

The physical and psychological consequences of the war remain the biggest issues and challenges to building active cooperation between the two countries. Both sides equally site this issue. The issue of the Prevlaka Peninsula was also mentioned. Prevlaka was a military base prior to the war in 1991 because of its location along the sea it was a strategic area to protect Yugoslavian waters. When the Yugoslav army retreated from Konavle and Prevlaka at the end of October 1992 it came under administration of United Nations forces. In December 2002, Croatia was granted authority over the area. Prior to this, while the President and Prime Minister of Croatia and Montenegro talked about turning this area into a tourist paradise that “will connect us not separate us”, locally the picture was different. The Mayors on both sides of the border aired opposing views on rights to Prevlaka. It appears that both Ministries of Tourism are willing to develop this as a tourism destination and publicly Montenegro agrees that this is Croatian territory, but the issue is still contentious. Neither side sees any organization or single policy issue as a barrier to maturing a working relationship on issues important to tourism. The issues of Prevlaka and the visa regimes continue to be concerns, but ones that are gradually being addressed and worked on in a positive way. While 80% of the respondents from Montenegro felt there would be no risks if the border was liberalized, both sides did have concerns over increased crime. Economic risks associated with border liberalization were cited in about 11% of the Croatian cases. These revolved around fears associated with job loss to cheaper labor in Montenegro and loss of some commerce as prices are also cheaper for some consumer goods. 100 % percent of the respondents from Montenegro would personally support an agreement to liberalize the border while only 63% of the Croatian respondents said yes they would. The main theme that echoed throughout the ones who said they would not support it was that it was too early the war wounds have to heal. And maybe it would require a new generation to establish a healthy relationship. The main threat continues to be that if there continues to be uneven economic development on the border regions both sides may suffer from instability. Additionally if basic issues related to the war such as what country owns a particular piece of land remain unresolved then cross-border tourism will be put on hold. The threat of conflict is always real, but with the goal of EU membership in the not too distant future both sides especially Croatia are eager to create transparent and stable relations with each other.

CONCLUSION

In the end very little policy development can change the minds and hearts that have been impacted by the war. While these concerns remain it may be through the pure need to do business and improve livelihoods that each side gradually will work together professionally as the personal scars fade. Some say it’s “too early”, the feelings from the war are “too strong”, “too recent”. However cross-border progress is being made. Over the last 10 years many more important issues than tourism have taken center stage and have been gradually improving. While these are difficult challenges all sides have made positive efforts in the areas concerning; citizenship, refugees and return of their property, repairing war damages, the establishment of borders and the return of regional stability. This is not to say things are perfect, but only to reiterate reasonable progress is being made on some very sensitive topics. These countries are also still struggling with the transition towards a market economy. Since these internal mechanisms are still developing in Bosnia-Herzegovina, Croatia, and Montenegro they often make interactions between all sides a little more

challenging. To speed up the renewal of relationships between tourism organizations (public, private, business, and government) in Montenegro and Croatia trust must be reestablished through small simple joint projects and endeavors. A special thanks goes to The EastWest Institute for their funding and to Anita Kunic for her assistance on the ground in Croatia and Montenegro.

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