

Alternative tourism in Bulgaria: diversification and sustainability

by Nicholas Vagionis

Introduction

Sustainability is nowadays one of the *sine-qua-non* targets as regards the development of a region. Development paying respect to the natural environmental potential on the one hand, and also development showing the appropriate consideration of the local social structures and resources on the other, is considered sustainable.

If the economic development of a country is to be based to some extent on tourism, diversification of the tourist product via alternative forms of tourism is a very appropriate strategy. Alternative forms to the mass-tourism industry are considered by many researchers and organisations (WTO, 1992; WWF-UK, 1992; Komilis, 1993; Lindberg and Enriquez, 1994; Middleton and Hawkins, 1998; Scheyens, 1999) as able to support local communities, in an environmentally and socially sustainable way, along the following lines:

- *Non-massive tourism:* When offering an alternative (non-massive) tourism product, a much higher percentage of value added can be locally produced and spread: local ownership of capital, local production of consumables and local offer of labour. A unique area-specific tourist product can be sculpted, which in turn can be better marketed with “product - branding” strategies.
- *Environmentally sustainable tourism:* Tourism is of course adapted to the local natural resources, everywhere. Mass-tourism has in so many cases led to exploitation of social and natural resources. Alternative tourism as a principle employs the sensible use of local natural resources, which should also be considered as economic resources. Thus, the heritage of the local communities is protected for the present time and for the generations to follow.
- *Better integration to social structure:* Social structure includes community and economy. Alternative types of tourism in most of the cases are better adapted to the local social resources, like local knowledge, skills, arts, traditions and production base. Local products are marketed and consumed, local skills valued and used, while local traditions are followed and/or revived. In such a harmonic co-operation a better development potential can be more secure not only for the present but for the future.

General impression: strengths and weaknesses of current policy and business approaches in Bulgaria

Strengths

The points that follow highlight the strong points of the country as regards the potential for development of a diversified and sustainable tourist product.

Economy and tourism

Bulgaria is a country which can be considered as finishing the “transition period” to the free market economy. It is now part of as a member of the European Union it has access to the support structures and funds of the EU. Bulgaria has the additional advantage of history, and relatively good (or preferential) relations with the countries of the former Soviet Union.

Geography, location, environment

Bulgaria is located close to central European tourism markets, but also has the potential to benefit from the proximity to the Black Sea and the upcoming markets of the East. It should be noted, however, that apart from the seaside resorts, Bulgaria has a rich mountainous environment which to a large extent is intact. This includes many natural water springs, monasteries and other cultural monuments, forests and national parks. These comprise a good initial capital for developing sustainable tourism in the inland. It should be also noted that there are at least 3-4 developed ski resorts that are already receiving considerable amounts of tourism.

People and society

There is a strong social and cultural resource base in Bulgaria which is very important to tourism. The study visit and the interviews with the local actors revealed that the country has people that are eager to improve their competitiveness. There are people with the skills to formulate a rich tourism product. There are also enough people willing to become entrepreneurs in the tourism sector. There are more than enough people that would be willing to relocate within the country, for a (better) job in tourism. These (skills, mobility of labour and entrepreneurial spirit) are some of the basic preconditions, within a neo-classical economic development model, for a region ready to boom.

Levels of government

Central government has declared tourism to be a priority activity. At regional level attitudes vary. Government tiers are preparing Tourism Development Plans within the 6 planning regions of the country and some 12/19 proposed tourism regions. There are also some rather active regional tourism development agencies, some less active, and more or less all with limited or no finance. At local level (264 municipalities) there is a more solid organisational structure, with some tourism development potential due to certain availability of resources due to taxation. The existence of these tiers is a strength, but it also needs specific policy principles and measures to lead to an effective sustainable tourist product.

Infrastructures: hard and soft

Physical infrastructure in Bulgaria, which is a basic precondition for the development of tourism, is entering a phase of positive reconstruction. One strength is that the entry of the country to the European Union probably means that some finance through the European Regional Development Fund and other instruments can be expected. General hard infrastructure (transportation, sewage, etc) is vital also for tourism. “Soft” infrastructure, such as the development of tourist information networks and the development of human capital may not yet have expanded but they have started to develop.

Weaknesses

The points that follow highlight the shortcomings of the country as regards the potential for development of a diversified and sustainable tourist product.

Infrastructures

Given the strengths above, it cannot be disregarded that there is still considerable way to be covered in the field of modernising the physical (hard) infrastructure in tourist places; even more so in remote places where alternative tourism forms can be developed. This includes transportation networks (streets, etc) but also infrastructure for the protection of environment, e.g. waste disposal, sewage treatment and recycling.

As far as 'soft infrastructure' is concerned, there is only limited success as regards the entrepreneurial skills related to tourism and innovation. Such skills are still either absent in many cases and especially in the peripheral regions, or at low level, in any case.

Further, the "networking" and "e-access" to the consumers/tourists is under-developed in the country, at least as regards the existing tourist capacity. Things become even worse when it comes to the smaller/alternative enterprises in the distant villages, where the need for networking would be the most acute. Even the best examples of centrally located investments (hotels), in cases come short when it comes to interactive web-pages or advanced networking provision for the customers.

Government and tourism

It is encouraging that central government has prioritised tourism in the development procedure. What is a rather serious shortcoming, however, is that government has not yet developed a sturdy organisational structure to design and produce tourism development legislation and facilitate its implementation.

Further, there is little evidence that notions of diversification and sustainable development have penetrated the tiers of government. The plans that were shown by mayors within the study visit in most of the cases were about large hotels and mass-tourism (the active and enthusiastic mayor of Razlog⁹ is aspiring 30 000 new beds in his city). This form of mass-type planning with little reference (if any) to issues of diversification, environmental respect and sustainability is considered as a major weakness in the tourism development process in the country.

Resource management

There are some cases where resources may or may not have clear management. Besides there is evidence that finance for the maintenance of such elements, that can enrich a diversified tourist product, is rather limited. For example the national parks and other natural monuments may have potential for supporting related tourism activities that is not considered, or in any case not implemented, by the responsible bodies.

Levels of partnership

A major problem in the development process of tourism in Bulgaria is the poor level of partnership. This can be observed between the various agencies, associations, NGOs, private entrepreneurs. Evidence shows poor communication and understanding among themselves and of course with the municipal and/or central government. In cases there are conditions of rivalry over resources, or dispute on rights and contradiction of responsibilities.

⁹ Being home for about 25 000 inhabitants, Razlog (at an altitude of 812 m) is a developing small mountainous city near the more developed ski resort of Bansko.

State finance and support

There is evidence that the government is rather oriented towards mainstream mass tourism options. It also seems that the allocation of funds is rather centralised. The Ministry of Culture shows an active interest in tourism but lower tiers of state actors in tourism, such as the Bulgarian State Tourism Agency (BSTA) has no regional offices. At regional level, the National Association of Municipalities appears to generate ideas but very limited state financing, if any. Other relevant bodies, such as the Bulgarian Association of Regional Development Agencies (BARDA), the Bulgarian Association for Rural and Ecological Tourism (BARET) and some more of the kind, all have some more good ideas, do not have any state finance and seem to operate with very limited budgets.

Examples of good practices in Bulgaria

What has to be identified at this point is that although there are several shortcomings, the country is on a positive development path with regard to tourism and there are several cases of good practice.

Municipal governments

A main characteristic of developing tourism along sustainable ways, which can safely serve as evidence of good practice, is the involvement of some municipal governments.

For example, the municipal government of Gabrovo¹⁰ has produced a lot of printed material for the development of tourism in the region, as well as for the marketing of this product. They take part in several tourism trade shows to promote their local tourism. They have created a tourist information centre and co-financed the construction of eco-trails in the mountains. They created the innovative idea of “single ticket for all city monuments” and they declared that there is a permanent “budget” for the development of tourism in their municipal budget. The efforts of valorising the alternative forms of cultural tourism and eco-tourism in the city and the surrounding are prominent here.

If Gabrovo’s record is good, the city of Tryavna¹¹ has, perhaps, achieved even more. They have set tourism as their first development priority for the period 2007-13. They attend foreign tourism trade shows and they have set up an architectural committee to protect the local environment through control of architectural style and through a land-use plan. They not only sustain and support the local school of wood carving but expand to the utilisation of many other local skills. For example, they expand to iconography, painting, and restoration, in relation to the stock of religious monuments

¹⁰ Gabrovo has about 75 000 inhabitants, with rich industrial past (named Bulgaria’s Manchester), and also a renowned cultural centre. The city has the Racho Stoyanov Drama Theatre, the Puppet Theatre and the House of Humor and Satire that serves as a cultural institute together with a gallery for comic art. There is also a number of cinemas, museums and historic houses both in the town and around it, most notably the Etar Architectural-Ethnographic Complex, the Museum of Education at the Aprilov Gymnasium and the planetarium. Gabrovo is twinned with the Belgian town of Aalst and the town of Mogilev in Belarus.

¹¹ Tryavna is a small town situated in a river valley near Gabrovo. It is famous for its textile industry and typical National Revival architecture, featuring many cultural monuments, museums and expositions. The first documents of its existence date back to the 12th century. During Ottoman period, locals defended the pass and enjoyed privileges for this reason; the Turks never gained access to it. During the period of Bulgarian National Revival, the town was heavily involved in the development of crafts. Houses from this period feature their own architectural design. The ground floors housed craftsmen and traders. The upper floors featured wooden bow-windows, remarkable wood carved ceilings and roofs covered with well arranged rocks. Tryavna is twinned with the Swiss town of Brienz.

(churches, monasteries) and other historic buildings in the region. They promoted the tourist marketing of municipality with a film and with sponsorship by foreign companies (e.g. a Belgian beer). They also enrich their tourist product giving emphasis on pottery, “treatment tourism” and local folkloric festivals. It can be said that they apply a wide angle approach in developing their tourist product, while the relevant activities and initiatives are co-ordinated at municipal level and are devoted to sustaining the local traditions.

Stara Planina Regional Tourism Association

The Stara Planina Regional Tourism Association is a good example of an active body that covers the empty space between government and small tourist enterprises. Their main task is to facilitate the interaction between the entrepreneurs and the local governments of the region. They also take steps in the marketing of the regional tourist attractions. They promote the tourism of the region by maintaining an active web site as well as six local tourist information centres. Among other activities, they have run a programme for local entrepreneurs and another for innovation models in relation with historical heritage (Leonardo Programme). Finally for the last 10 years they organise an annual tourism trade show in a different town in the region, every year. Their finances are very limited and mainly come from fees paid by the local tourist enterprises.

Technical school for catering and tourism, Razlog

This school offers something that is really needed in the tourist development of the country: a network of decentralised professional training facilities. The population in the regions suffer severe lack of tourism-business skills. These include the knowledge of the basic hospitality rules, the competence in foreign languages, the economic management of a small tourism business, the knowledge of the techniques of a restaurant, issues on safety, issues on hygienic rules, etc. These are exactly what the school offers. The fact that the school is based in a small mountainous town, far from the capital, is good practice: It valorises local human resources providing local enterprises with skilled and qualitative labour in a sustainable manner. More schools of the type are needed in the various provinces. The school itinerary may need revision from time to time but this is common everywhere. What remains some legislative regulation in a way that the tourist enterprises will have to employ at least a minimum of qualified personnel.

Policy recommendations

Central government structure

A central governmental structure should be responsible for providing the strategy for the development of tourism. Investment in the desirable tourism sectors may be supported financially by the state, especially if they fit in the provisions of a relevant legislative support framework. This can define the desired types of tourism investments, may leave others at their own fate and of course may bar activities that do not fit to the development character of a region. A relevant central government structure for this could be, for instance, a Ministry of Tourism.

Co-ordination of the above, guidance and information to all lower levels of government, i.e. regional and municipal, but also to the private entrepreneurs by a governmental structure is also necessary. The BSTA could possibly cover this role by the development of branches which should be operating preferably in all regions.

It is recommended that, for the development of alternative tourism, a solid all-territories government structure should be developed. Alternative tourism enterprises are usually small and often

remote, with limited personnel and have more difficult access to the capital regional and local authorities, NGOs and private entrepreneurs of the alternative tourism sector, should be offered easy access to the policy and services, at the regional branches of the central governing structure

Hard infrastructures

The enhanced provision of hard infrastructure is highly recommended.. Better transportation and better power and pure water supply, together with waste disposal and sewage treatment will definitely have a positive impact to tourism. Especially as regards the development of alternative tourism, which targets the most remote regions of the country where the level of such provision is less than adequate, the potential results should probably be very positive, as the conditions are not yet appropriate for any tourism development.

Human capital

The development of human capital is a task where considerable effort has to be made. More specifically, in the alternative tourism sector, the first need is for specific professional specialisations that will help the adaptation of the local skills, culture and natural resources to the construction and the supply of the tourism product. Second, for the specific knowledge necessary for the promotion and the easier access to national and international markets targeted. Schools providing specialisations that will implement the diversification of the tourism product to alternative tourism activities are thus needed.

Information technology

The information technology networks need to be developed and also the local enterprises need to become networked. Networking of the remote areas, where the majority of the alternative tourism enterprises are/shall be established, has still some way to go. This needs good and steady telephone lines infrastructure and specific promotion and orientation of the tourism business at the local level to join. Some incentives may have to be offered by the policy makers for the first steps to be done, until business understand the potential of networking and make further steps of their own.

Specific alternative tourism products

The alternative tourism niche types identified below are fast developing. The diversified supply of alternative products, if seen as a whole system, offers considerably lower seasonality of the tourist business and turnover. More specifically, policy should focus on the following products and issues:

- “Activity oriented” products are one group of alternative tourism. These are targeted to young or middle aged customers with environmental conscience and relatively good physical condition or abilities. These can be rural tourism, ecotourism, sport and/or training tourism and health care or wellness tourism. They are often based on the use of natural resources like lakes, streams and rivers, mountain trails in National Parks, as well as the use of natural hot springs.

Recommendation: Licences should be issued to qualified “alternative” tour-operators for the use of such natural resources. Also, for the use of safety equipment and skill-qualified personnel and for co-operating with equally approved local partners. Regular auditing should also be a part of the policy implementation.

- “Cultural oriented” products are another group of alternative tourism products. These can be based on religious tourism, gastronomy and/or wine tourism, traditional music/festival

tourism. Local skills and specificities may sustain cultural visitors, like local iconography and painting, wood carving, pottery, local live music, etc. These products mainly target middle aged and mature types of culture oriented customers. These people usually seek quality and exclusiveness, as well as a good itinerary in their vacation.

Recommendation: Policy should make it possible for local entrepreneurs, e.g. handicraft, vineries, etc., to co-operate with the relevant “alternative” tour operators, or build-up their own hospitality and marketing capacity to sustain their business in the tourist circuit. Local government and tourism agencies should accommodate in their tourism development planning the above, in producing a diversified and sustainable tourist product.

- Policy for all year round tourism. Specific provisions should be *considered* for the smoothing of seasonality and a diversified tourist product represents an important part of any strategy. Thus, central and local government should aim to use their resources to do support alternative offers and to promote “low” season tourist activities.

Recommendation: The municipalities might consider organising local festivals at the margin or well out of the high tourist season. Further, conferences, social packages for elderly tourism, large business packages should all aim off-peak. The municipalities should organise local festivals at the margin or well out of the high tourist season. This will add new life at the region. Further on, conferences, social packages for elderly tourism, large business packages should all aim off-peak. The aim is to develop a 12 month operating tourist destination, with one or another activity each time leading the trend.

Licensing and auditing

While central government provides basic legislation, a network of interactive, licensing and auditing bodies should exist. Each of the above alternative types should be identified and licensed as such by some licensing/auditing authority. The latter can be either public, or a delegated private institution assigned with this task. (i.e. possibly the Bulgarian State Tourism Agency (BSTA) and more specifically its proposed regional branches).

International learning models in OECD countries

The following three cases were considered as more suitable to use as learning models: the first model is the presentation of the structure of authorities and policy for alternative tourism in Greece. The following two models are two examples of implementation. Model two is the description of one agency-partnership project and model three is reference to two private investments, under the specific alternative tourism legislation. Reference is made as analytically as it is legally possible. The relevance of the approaches to Bulgaria will always be kept in mind and referred to.

Administration of tourism and policy for alternative forms in Greece

Structure of administration

As a first learning model it was considered appropriate to present a brief analysis of the structure of authorities of tourism in Greece and the policy for alternative forms of tourism.

The main body of central administration of tourism, responsible for providing legislation and auditing the implementation and development of tourism in Greece is the “Ministry of Tourist

Development” (or Ministry of Tourism or «YIITAN»). The ministry was founded in 2004¹². Before, tourism was represented in the central government via the Ministry of Development and other ministries in older times. Practically, though, the governing body had been the Greek National Tourism Organisation (GNTO), but there was some confusion on the limits of its jurisdiction. Long discussions and change in government have taken place in the meantime.

The oldest body for the administration of tourism is the GNTO¹³ or «EOT». It is concerned with the implementation of the legislation, nationwide, or, in other words, the body that comes in contact with the investors, facilitating and auditing their efforts.

The structure of the Organisation is a model structure and is developed through many decades of operation. GNTO has apart from the central office in Athens, regional offices in all 13 regions. It also operates some 30 information desks in major tourist centres (airports, etc.) throughout Greece, as well as at least 25 offices in major cities all over the world.

Other institutions that are supervised by the Ministry of Tourism and support the administration of tourism, according to law 3270/04 (Government Gazette 187/A/11.10.2004), are:

- The Organisation of Tourism Education and Training (O.T.E.K.)¹⁴. This body constitutes the specialised state organisation which is responsible for the professional training of personnel in relevance to the tourism business. It operates under the Ministry of Tourism. OTEK consists of the Former Schools of Tourist Professions (2 advanced and 8 standard schools) and of the Schools of Tour Guides (6 schools nationwide);
- The Tourism Development Co.¹⁵ (formerly Hellenic Tourist Properties S.A.) was established in 2000 with the view to becoming the “managing arm” of Greece’s Stated-owned Tourism Property. Tourism Development Co. is a leading Greek real-estate asset manager, acting in between the public and private sector in order to assure optimal property development, contributing thus to meeting tourism property goals. The state owned tourism property portfolio managed by Tourism Development Co. numbers over 350 assets scattered throughout Greece that cover a total area of about 70 mil. sq.m. and consists of business units - casinos, marinas, hotels, organised beaches, natural springs, camping, ski centre, golf course, etc. - and undeveloped sites;
- The Hellenic Chamber of Hotels¹⁶ operates as a Legal Entity of Public law since 1935 and is supervised by the Ministry of Tourism. It has as members by law all the hotels operating in Greece and it is managed by an Administrative Council of elected representatives of the

¹² The Ministry of Tourism is established by the presidential decree 122/2004, with the competence as defined in law 3270/04 (Government Gazette 187/A/11.10.2004). Minister of Tourism: Fanny Palli Petralia (former minister Dimitris Avramopoulos). Secretary General of Tourism: Maria Yianniri.

¹³ The GNTO (www.gnto.gr) was first established in 1927 and re-established in 1950 by Emergency Act 1565/50 (ratified by law 1624/51); since 1950, the GNTO constitutes the ruling state agency for the tourism sector. According to the latest law 3270/04 (Government Gazette 187/A/11.10.2004), GNTO consists of the Head Office located in Athens and the Regional Departments of Tourism (as of 01.01.2005).

¹⁴ Organisation of Tourism Education and Training: www.ste.edu.gr.

¹⁵ Tourism Development Co.: www.tourism-development.gr.

¹⁶ Hellenic Chamber of Hotels: www.grhotels.gr.

hotels all over the country and representatives of the State. The HCH is member of the Confederation of National Hotel and Restaurant Associations in the European Union (HOTREC). The main activities –among many - of the HCH are the study, the suggestion and the application of every measure which contributes to the development of the Greek hotel industry;

- The National Board of Tourism¹⁷ is a wider body, of advisory character, consisting of the minister, the chairman of GNTO and about 30 chairpersons of various associations and unions of the tourism business. It serves as a melting pot of the various interests and as an advisory body to the ministry.

Rationale for the policy intervention

Alternative tourism is defined as tourism, where the main attraction for tourists is the physical and cultural environment of the destination and it encompasses both passive cultural sightseeing and active sports activities, responsibly based on an area's social and natural resources (Bramwell and Lane, 1993; Harrison and Husbands, 1996; Komilis, 1993; Mieczkowski, 1995; Middleton and Hawkins, 1998; Scheyens, 1999).

The rationale of creating a policy intervention related to the promotion of alternative forms of tourism is that such specific types of investment are considered as socially and nationally desirable. These forms serve as a necessity for the diversification and sustainability of the tourist product and the regional economic development. Thus the policy describes the desirable and eligible forms that may have a strong financial incentive (50% subsidy), from national and EU funds.

The main legislation for development of alternative tourism activities in Greece is currently the following: The “Operational Programme Competitiveness” belongs to the Community Support Framework. The “Axis 5” of “O.P. Competitiveness” is concerned with Tourism and the “Measure 5.3” is concerned with alternative tourism. The Action 5.3.2 of the law targets in “Support of entrepreneurs investing in alternative forms of tourism”. Under this legislation the private investors are called to exhibit their interest, i.e. to proceed to applications of plans of investments.

The aim of the Action 5.3.2 is “to support enterprises that engage in alternative tourism activities, target specific market groups, exhibit the natural beauty of a region without destroying it and diversify the Greek tourist product”. The eligibility of enterprises is provided in the legislation. The same holds for the eligibility of types of investment. For example, the upper limit for buildings is 40% of the investment, while the one for immaterial actions is up to 20%. The last may include business plan studies, personnel training, marketing research, et al., but not common advertisement, leaflets, etc. At least 40% should be in equipment for alternative tourism (for example: boats, sails, horses, tents, uniforms, ropes, electronics, etc.). Furthermore, the upper level of the investment plan should not exceed the turnover of the company of the past three years.

The financing of the programme (i.e. of the eligible investments that will be finally admitted to it) is by 35% by the European Union, via the European Regional Development Fund (ERDF) and by 15% by the Greek State. The remaining 50% will be the private contribution.

¹⁷ National Board of Tourism: <http://www.gnto.gr/pages.php?pageID=887&langID=2>.

Why the approach is relevant to Bulgaria

The formation of a sound administrative structure is relevant and important for Bulgaria. One of the major shortcomings, which also came up from the field study, is the imperfect continuity in administration. There is an operational gap between central governments, regional authorities or associations, municipalities and local actors. The imperfections, or frictions, stem, in part, from the administrative structure.

The policy – as regards the legislation for the development of alternative tourism – is relevant to Bulgaria, to the extent that it will very soon be in a position to be eligible for financing of investments via the Structural Funds of the European Union. What may be the key to this is the construction and adaptation of the appropriate development legislation to the EU procedures and, of course, the administration of the whole issue.

Obstacles and response taken, reasons for the success or failure

It took the whole second half of the 20th century to realise that tourism was equally important as manufacturing, shipping and agriculture, which have their own ministries. The Ministry of Tourism, established in 2004, has been a solution to various frictions in the implementation of the national tourism policy.

The ministry (still) does not have regional nationwide offices and thus it is based on GNTO. GNTO is doing the demanding job of facilitating, auditing and licensing, because the ministry lacks the capacity and structure to do. Of course there is space for lower tier regional or local administrative bodies.

The emphasis on coastal tourism and the success of the “sun, sea and sand” package, led to the lack of motivation by the tourist industry to pursue alternative forms of tourism until very recently. Legislation providing incentives for alternative tourism arrived relatively **late in Greece**. There has been the European example and the pressures of scientists, researchers and the environment groups that played their role. More than 113 investments have been approved in two years under the “5.3.2” law, among a larger number of applications, which can be regarded as a success¹⁸.

Considerations for successful adoption in Bulgaria

Administration

It seems that if Bulgaria utilises the above experience and moves faster towards the creation of a solid tourism administrative structure, with regional branches. The implementation of a tourism development strategy can be seriously facilitated. In a more flexible way, the existence of selected regional entities can be utilised through appropriate affiliation and delegation of activities. The latter, if adopted, will have to be done within a precise organisational diagramme and a specific delegation schedule. It is not very easy as a rather express political will is needed.

Legislation for alternative tourism

On the legislative front, experience shows that the general development efforts are usually not enough to promote alternative tourism. The big money tends to cluster in mass-tourism developments that serve the market conditions of today and exploit the resources for immediate profits. Specific

¹⁸ See Legislation, Action 5.3.2 on www.gnto.gr.

legislation, aiming the spatial dispersion of the tourist supply and diversification of the tourist product, should be explicitly put forward. To this end a sturdy policy will have to be expressed, at first, to be followed by specific alternative tourism studies at regional levels, aiming to sustainability. Upon these studies the country will base the development plan which will be included into the proposal to the EU. After adoption of such actions within the forthcoming Community Support Framework (CSF), where Bulgaria will be a beneficiary, the efficiency of the planning will be tested in action.

Contact details and website for further information

Greek National Tourism Organisation – GNTO:	www.gnto.gr
Hellenic Chamber of Hotels:	www.grhotels.gr
Tourism Development Co.:	www.tourism-development.gr
Organisation of Tourism Education and Training:	www.ste.edu.gr

Regional Innovation for Peloponnesus (RIPE)

Description of the approach

The RIPE Project (Regional Innovation for Peloponnesus) is a program aiming to the import of innovation in the region of Peloponnesus and it is being implemented within the framework of the general European Program “Innovative Actions 2000-06”. Similar programmes are being implemented in entire Europe (roughly 133 programmes), within the above framework.

The Arcadia Chamber, (managing body), supported by the General Secretary of the region of Peloponnesus, submitted a proposal for this Programme, which was approved by the EU on 03/15/2002. The Project has duration of 24 months and its actions cover the entire region of Peloponnesus. The financial contribution of the EU amounts to 1 913 600 Euros, the national contribution to 478 000 Euros, while the private contribution is 173 000 Euros.

The steering committee of the programme consisted of representatives of the following bodies: the Regional Secretariat (state government); the Chambers of Commerce and Industry of 5 Prefectures; the University of Peloponnesus; a Regional Development Company named “Peloponnese” members of which are members of Local Authorities; the Project manager of RIPE Programme.

The programme consisted by five actions, of which the relevant for our case are the following:

- **Action 1:** 1.1 Regional Innovation Strategy and Action Plan; 1.2 Regional eco-tourism Support Centre; 1.3 Virtual Business Incubator Facility; and 1.4 Business Co-operation for Traditional Products Development.
- **Action 2:** 2.1 Information Society Services for Rural Areas; and 2.2. Regional Development Information Service.

Rationale for the policy intervention

The region of Peloponnesus is situated in the southern part of mainland Greece. It has a population of some 700 000 or about 6.5% of the country's population and 11.7% of the country's area. Around half of the population of the region lives in rural areas.. Half of the region's area is covered by mountainous highlands. It is among the least developed in Greece and in the EU. Per capita GDP was 80% of the country's average and 50% of the EU average while the gap between the region and Greece as well as the EU is growing.

The economy of the region is characterised by a dominant presence of the primary sector, which produces 30% of the region's GDP and employs over 40% of its working population. The services sector produces 46% of the region's GDP and the secondary sector contributes only 23% of the region's GDP. The region lies substantially behind the country in the educational level of its population. The region features significant and increasing intra-regional differentiation in its level of development.

With respect to public infrastructures the most important handicap of the region has been in the past the lack of a proper transport network. This has been now partly addressed. In the field of technology the region also lies behind the rest of the country. Its telecommunications services are among the worst in the country. Also the region lacks the kind of higher education institutions that exist in many other Greek regions. However position is improving in this latter respect.

Given the above weaknesses, the strengths of the region and its opportunities for development lie in its geographical position including its proximity to Athens, in its very rich natural environment resources and cultural-historical and archaeological heritage and in its specialisation in the production of high quality agricultural products. These strengths provide the conditions for a modern and export oriented primary sector in parallel with the development of alternative tourism (eco-tourism).

Why the approach is relevant to Bulgaria

The approach is relevant and suitable to Bulgaria because there is an entrepreneurial potential, which lacks guidance and also several agencies and associations that need to come into partnership, of which this project is a good example. Also poor infrastructure and low levels of networking are conditions similar to the ones described above.

Such a partnership model can offer three types of benefits the regions of Bulgaria, if applied. Firstly, it can support and promote enterprises that are activated in the various diversified alternative tourism sectors, in which one specific region has some advantages. Second, it can offer to one region the tools and the education on the new information technologies, so that it will no longer be isolated from development. Finally, it can deliver to the region a plan for getting financial support for innovative actions from the Community Support Framework for the next CSF.

Reasons for the success or failure of the approach

The main issue that may characterise the success or failure of the approach is the degree of fruitful partnership attained within the project.

The programme partnership, as we saw, included the key development institutions from the public and the private sector of the region, whose top political leadership makes up the steering committee of the programme. Overall, the partnerships were well balanced between the public and the

private sector and this was a success of the programme. The Chambers were instrumental in initiating the programme and focusing its strategy for innovation.

Nevertheless, there are important aspects where the project was weak. First, the region did not have a systematic strategy and action plan for innovation covering the whole spectrum of its socio-economic development. Second, the region did not possess the specialist resources and know-how available in several other Greek regions that are endowed with regional universities and a new economy business sector.

Finally, the introduction and promotion of innovation in the region had to face incompetence among some local actors, difficulty in implementing experimental or pilot actions and required an investment in evaluation and learning. Lastly, some actions did not fit into the regulatory framework of the CSF.

The obstacles faced in implementation and the quality of the response taken

The obstacles can be summarised examining the role each of the main players and control system had in playing and the difficulties in attaining the task. The implementation of the programme involved five different types of players and levels of respective control functions. In each case there were issues that had to be faced and solutions that have to be found.

The *independent auditor* was appointed by the steering committee and had to be selected.

The *program contractor*, and managing body – the Chamber of Arcadia often had to operate as an intermediary between executive partners and the paying body. A good co-operation had to be maintained at all times.

The *regional fund* effected all financial transactions according to the established rules and regulations concerning EU funded programmes. Knowledge and implementation of the proper transaction procedures was a heavy task.

The *executive partners* are the responsible for implementing the actions of the programme. Each executive partner is also responsible for his own budget, progress reports, and accounting information system. Problems always arise and response has to be smooth and effective.

Considerations for successful adoption in Bulgaria

The project described is one project, supported by the European Community, for rural development based on networking, alternative tourism and special primary sector production. The first and main precondition for a successful adoption of such a partnership is the efficient co-operation of the partners. Second, and also very important, is the compliance with community policies, as for example with the Community legislation on environment. Overall, the control system, including the following five layers: the independent auditor, the regional secretariat, the paying body, the managing body and the executive partner should co-operate flawlessly.

Contact details and website for further information

Regional Innovation for Peloponnesus:

Contact: Ms Anna Andrikopoulou (General administrator of the project)

Web-site: www.ripenet.gr

The Chamber of Arcadia is the managing chamber:

Contact: Mr Nicos Totsis (Chamber of Arcadia responsible)

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Private investments in eco-tourism

Investments by the private firm “Lead” in the field of alternative tourism are to be described here.

Description of the approach

Lead S.A.

The company Lead Sustainable Development S.A. is the central core of the “Trekking Hellas” group of companies. Trekking is operating since 1987 and is the oldest and largest company practicing alternative tourism in Greece. Lead was born in 1997 and it mainly serves as the business management centre of the Trekking group. The group today consists of 12 companies with a permanent staff of 70 people all over Greece. Lead had a turnover of €2 055 661 in year 2005. Lead is aiming to corporate customers, inland customers and international ones. Also Lead proceeds in franchising of the trade mark “Trekking Hellas” to selected firms all over Greece. Lead has some 6 000 customers every year, has a database of 25 000 customers and has carried out over 120 corporate programmes.

Lead has good and developed international connection, having some 1 600 foreign customers and being the correspondent of the French sport organisation for the young UCPA and also being the Greek appointee of the British organisation “Outward Bound”.

At this moment Trekking Hellas has 11 camps, operating as autonomous enterprises, in Evrytania, Trikala, Grevena, Arkadia, Ioannina, Athens, Thessaloniki, Patra, Larissa, Lefkada, Kriti.

The company prepared a new investment proposal to the Action 5.3.2 consisting mostly of alternative tourism equipment and computer upgrades; no construction works are claimed. The company follows a continuous trend of investing in technical and mechanical equipment for alternative tourism as well as information technology. The aim is the improvement of the product offered within the competitive market of alternative tourism. The specific aims are the formulation of specific products for children and for corporate groups, the enlargement of capacity in rafting, the improvement of the safety and rescue equipment. Last but not least is the improvement of the company’s information capacity.

The investment proposal of Lead S.A. amounts to €199 828 to be completed within 15 months. The investment proposal was approved to an amount of €193 000 by the scrutinisers of the law. Thus the company will receive some €96 000 from national and community funds after the completion of the investment.

Rationale for the policy intervention

Europe has been at the heart of eco-tourism growth in recent years. Eco-tourism has proved very popular among the professional classes and higher educated segments of the population in many countries including the UK, the Netherlands, Germany, Scandinavia, and France in particular. Many European destinations which have not previously attracted many tourists, have managed successfully to attract eco-tourists offering a range of products that are based on their particular natural and cultural resources.

Greek regions are extremely well endowed in natural and cultural resources. These include a unique and picturesque countryside, attractive mountainous landscapes, a hundreds years' old tradition of folk arts, music, food, and life style and friendly, hospitable, local communities. These can become successful eco-tourism destinations because of its outstanding cultural and natural attractions.

The objective for promoting the above private investments in alternative tourism via financial incentives under special provisions of the law was applied aiming to strengthen in a sustainable way the local economies.

Why the approach is relevant to Bulgaria

The approach, in this case, can be summarised as the guidance and financial support by the state regarding the private eco-tourism firms. Such firms are invited to establish, to improve in quality and expand. Firms need experienced staff, proximity to visit-worthy natural resources, inter-networking and some capital. The approach is extremely relevant to Bulgaria.

Apart from the coastline, Bulgaria is mostly mountainous, and full of natural beauties and cultural resources. These are first class scenery for the establishment of new and the expansion of existing firms related to alternative forms of tourism.

Legislation providing financial incentives for private firms specifically in the alternative types of tourist product will work in effect as a catalyst. It will also guide and audit the investments regarding their establishment and operation.

The EU structural funds, in which Bulgaria is already eligible, are supporting alternative tourism actions. The private investments in alternative tourism have to find their way to these funds. This is also responsibility of the administration of tourism in the country.

Reasons for the success or failure of the approach

Lead S.A.

The company is a well organised company and already has experience with international clientele. Experience in marketing of the business pays off. Latest technology and safety are crucial. When numbers of clients increase, the possibility of an accident becomes more than a tiny statistic and relevant care should be taken as regards safety, rescue and insurance. The company applied successfully for state/EU support (Action 5.3.2) for an investment project on expanding its safety equipment. The accumulated experience, a considerable size, the nationwide spread and the approval and co-financing of the current investments give the firm good future prospects.

The obstacles faced in implementation and the quality of the response taken

Lead S.A.

Trained personnel: Lead S.A. finds it as a great challenge the creation and employment of good and qualified staff for its activities. As a response it supports various educational foundations offering seminars and training in the fields of alternative tourism. The graduates from such programmes may be hired as apprentices, trainees and later as permanent staff.

Feedback and innovation: A next serious concern of the company is the creation of new products and services. These may include activities and places. Each new proposal is first tested and approved. To find new ideas the company sustains a feedback with their clientele via questionnaires. These provide their evaluation and level of satisfaction for the services they received and provide ideas for improvements or totally new ideas for consideration. Usually there is a follow-up via a “many-thanks” mail or in cases of issues to be discussed, with a telephone conversation.

Marketing: The Company has specific web-sites for each type of activity. They consider these offer them wider exposure to the public and better marketing of their product. The cost of maintenance is always a small fraction of the positive effect. The sites of the firm that are currently available are:

- www.corporate-events.gr,
- www.outdoorsgreece.com,
- www.trekgreece.com,
- www.familyholidays.com,
- www.trekking.gr.

International network: The firm is in stable co-operation with tour agencies in many countries abroad, which make the company visible in the respective markets and (may) provide customers. Great Britain: World Challenge, Exodus, Explore Worldwide. France: UCPA, Terres d’Aventure, Club Aventure, Atalante, Explorator. USA and Canada: Mountain Travel Sobek, Rei, Cross Country International, Journeys International, Hidden Places, AAVE, World Expeditions. Japan: World Expeditions. Nepal: Alpine Travel. India: IndoAsia Tours.

Considerations for successful adoption in Bulgaria

Private eco-tourism firms like the ones described above could operate in the territory of Bulgaria very successfully. The natural resources and the skills are there, the capital, the organisation and the marketing are variables to receive some attention.

Specific provisions in the legislation for financial development or tourism development, providing financial incentives for firms in alternative types of tourism, is one debated but effective way to proceed (Eurogreen Network, 1995; Connor and Dovers, 2004). This model firm used successfully – as described – the 5.3.2 legislation.

The model firm presented above provides various technical and detailed aspects in its web-sites. A lot of information is given regarding the structure and operation of the firm, while further answers

could be possibly obtained with contact through the web-site from any Bulgarian existing or “to be” firms. Finally it should be noted that the firm created a version of its web-site in Chinese.

Contact details and website for further information

Lead S.A.:

Contacts: Michalis Tsoukias (Company President); Christos Lambris, Dimitris Andonopoulos, Alexandros Lamnidis (Board)

Web-site: www.outdoorsgreece.com; www.trekgreece.com;
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Other similar alternative tourism companies:

Web-site: Eco-action: www.ecoaction.gr; www.alpinezone.gr;
www.rodiawetlands.gr; www.alpinclub.gr; www.mountains.gr;
www.archelon.gr

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