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Bulgaria's Tourism Industry: A Thriving and Sustainable Future?*

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Bulgaria's 1999 invitation by the European Union to start negotiating accession posed significant challenges to the process of transition involving dramatic changes in all sectors of the economy, society, and institutions. Adaptation of the country's legislative system to the EU directives and policy system is a priority pursuit of current national policies. Tourism, as one of the most promising sectors of the economy, is expected to evolve in tune with West European standards and trends of development. This article describes the state of Bulgaria's tourism development at present emphasizing on the potentials and opportunities for sustainable tourism practices of the future.

Bulgarian Tourism: Structure, Growth, and Liabilities

Bulgaria is a country with abundant natural, historic, and architectural resources providing a rich foundation for a variety of tourism activities. With 8.5 million people living in 111,000 square kilometers, making Bulgaria the least densely populated country in Europe, Bulgaria boasts a diverse geography and climate that include the mountains, the sea, fields of roses, and picturesque villages, and the capital city of Sofia that offers hot mineral springs and skiing within minutes of the city center (Taneva 1999). A country, which possesses excellent conditions for seaside vacationing in the summer and mountain vacationing all year long, is yet to become a major tourist destination.

Bulgaria emerged on the international tourist market in the late 1950s and early 1960s, sustaining a rapid initial growth rate and spatial expansion. In early 1970s, Bulgaria was already among the world "leaders" ranking fourteenth in top-destinations,

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with a market share of 1 per cent of all tourists. The lack of flexibility in product development and limited investments in the 1970s and 1980s, but particularly the hardships[**] of the transition process in the 1990s led to a considerable loss of the sector's competitiveness and a drastic decrease of its market share (0,4 percent in 1999) (Marinov and Petrov 2000). However, since the beginning of the 1990s and particularly during the last 3-4 years the industry has been undergoing radical changes aimed towards recovery, growth, and international compatibility.

There are five key aspects characterizing tourism development in Bulgaria during the last ten years. *First*, the dramatic decline in growth due to the large-scale domestic and international difficulties of the period. *Second*, sector's specifics deriving of old time regime legacies of inefficiency and malpractices (such as limited utilization of available resource, uniformity of tourism products, spatial and seasonable concentration, low quality of services and infrastructure, lack of entrepreneurial leadership and mismanagement). *Third*, the shift of ownership from the state to the private sector, a process posing serious challenges to the new owners and managers now running old companies and maintaining out dated infrastructure. *Forth*, the rapid growth of a large number of small and medium sized companies lead to structural changes in the sector with the old outsized monopolies collapsing in chaos and mismanagement, while struggling the incredible difficulties of still marketing their products. And *finally*, the striking gap between the quality of the available natural and cultural resources and not yet satisfactory level of services and base magnified by the relatively poor level of infrastructure and services outside the industry, affecting strongly its performance and results.

Nowadays, according to official statistical data, the bed capacity of all accommodation establishments (hotels, camps, private lodgings, huts, rest houses) amounts to 209 thousand (100 thousand in hotels) but experts' estimate that number at 420-450 thousand. However, predominant are the one- and two-star facilities (61 per cent) positioning the economic gains of the sector in the low ranges, exclusive of those with a seasonable function (40 percent of the establishments utilizing 50 per cent of the bed capacity). The sector also maintains a low occupancy rate (26 per cent) even in hotels (30 per cent). Specific for its structure is the high concentration of bed capacity in the so called "tourist (resort) complexes", about one third of all. There are approximately 40 such complexes, some of them with over 10 thousand beds (such as "Sunny Beach", "Golden Sands" and "Albena" on the Black sea cost and "Borovez" in Rila and "Pamporovo" in the Rhodope mountains).

After ten years of reforms, however, most of Bulgaria's tourism facilities are still worn out with aesthetic and functional features comparatively unattractive by international standards. The national and regional transportation infrastructures are inadequate creating a major obstacle to tourism development. Particularly noticeable are

** Key to the sector's decline have been the political instability in Bulgaria and the larger South-Eastern European region, transition from a centrally controlled to a market economy, loss of traditional economic and tourism markets, increased regional competitiveness, old legacies of low quality tourism image, and relatively poor tourist infrastructure.

the low quality of airline and railway services and the poor condition of the cross-country roads. Postal and telephone services are lagging behind state-of-the-art practices, further adding already to existing sectoral problems. With privatization of state-owned facilities still ongoing, focus is being placed on rehabilitation and refurnish aimed to improve quality and extend their use throughout the whole year. Another major emphasis is the utilization of more efficient management systems, better pricing strategies and advertising methods.

Due to unresolved problems, tourism is yet to become a lead national industry. In 1999, 5,056,250 tourist arrivals were registered in Bulgaria, 50,7 percent of which were transit travel, 41,2 percent for holidays, 3,4 percent for business and 4,7 percent for other purposes. A considerable number of one-day (mostly shopping) visitors from neighbor countries declaring also “tourist purposes” arrive daily in Bulgaria (border statistics show 1 million such “tourists” came in 2000). Overall, the number of tourists increased by 20 per cent last year, a substantial growth due to the improved political and economic situation in the country and the Balkans.

The large number of border arrivals, however, far exceeds the number of tourists seeking in-country accommodation. In 1999, for example, 590 thousand foreign visitors were registered with 4,4 million overnights. With an average number of visited places of 2,4, this points to a very low number (250 thousand) of visitors, who were commercially accommodated. Key foreign markets of Bulgaria’s tourist industry are Germany (48,5 per cent of overnights and 9,9 per cent of arrivals), Russia (11,2 per cent and 2,5 per cent respectively), United Kingdom (10,3 per cent; 2,5 per cent), Scandinavian countries (8 per cent; 3 per cent) as well as the neighbor countries – Macedonia (35 per cent of arrivals with tourist purposes), Greece (14 per cent), Yugoslavia (7,9 per cent), Romania (7,6 per cent) and Turkey (3,2 per cent).

Bulgarians, by and large, are now traveling much more extensively and frequently than up until the 1990s. In 1999, 2,375 million trips abroad were registered, 98 per cent of which were for private (guest) purposes. Key international destinations are the neighbor countries (75 per cent of all trips), including Yugoslavia (23 per cent), Turkey (20 per cent), Macedonia (15 per cent), Greece (11 per cent) and Romania (8 per cent). Western European countries constitute around 22 per cent of all outbound trips. Among all, two thirds are declared as “tourist”, however, these are made exclusively with shopping purposes while the international holiday trips account for only 0,7 percent. Due to the hardships of transition, Bulgarians nowadays spend less time and resources for holidays than ten years ago - in 2000 only 43 per cent were holidaymakers. The country’s most attractive tourist destinations are the seaside, followed by the mountains and the spa resorts (MBMD Survey 2000).

Structurally, Bulgarian tourist industry is highly concentrated, both in space and time. Due to the expansion of the inbound tourism in 1990-1999, for example, the share of overnights in July and August increased from 42 per cent to 46 per cent and in the period between June and September – from 64 to 70 per cent. Tourist accommodation facilities are predominantly concentrated in the Black sea resorts (over 60 per cent of bed capacity). The districts ranked as first five have 73 per cent of all beds with the first five municipalities maintaining 54 per cent. However, from a total of 262, only 25 municipalities classify as "tourist", with the first 10 maintaining 77 per cent of the industry's bed capacity (Marinov 1997).

Today, tourism accounts for 8 per cent of the national GDP, generates 9,7 percent of the economy's total output and employs nearly 8,8 per cent of all working Bulgarians. The value of the sector's revenues is, yet, small, for example, the revenues from the accommodation services in 1999 were only USD 57,5 million while the currency expenditures accounted for USD 524 million, providing USD 406 million to the national balance of payments. The sector forms 15,4 percent of the national overall export, 52 per cent of the export of services alone, and provides 41 per cent of the balance of payments deficit (Balance of Payments of Bulgaria 1999). New Government polices, however, envisage a substantial increase of the annual growth rate of tourism by 8-10 per cent and of the sector's revenues by another 10-12 percent by year 2006. This would raise the sector's share of the national GDP to 15-19 per cent and of the total export of goods and services to 18-19 per cent (Sustainable Tourism 1999). The above objective could prove, however, difficult to accomplish considering insufficient domestic resources and the limited foreign investments in the sector so far (USD 142,8 between 1992-1999 - 5 per cent of all foreign investments) unless radical policy measures are undertaken to attract and sustain foreign long-term involvement in the industry. However, there is a place for optimism considering the interest of Bulgarian entrepreneurs, who recently ranked the sector as the most attractive area for new business opportunities (based on a 1998 nationwide KPMG survey) (U. S. Department of Commerce 2000).

Bulgarian Tourism in the European Context: Potentials, Alternatives, and Prospects

Central to the future of Bulgarian tourism, as seen by the current national government, is the issue of promoting the principles of sustainable development in the sector. Various terminologies relevant to sustainability are being articulated in all sectors of the Bulgarian society in recent years. Yet, the concept itself is limitedly understood with both formal and informal debates basically duplicating international and European directives and programs. Several main factors impede understanding and implementing sustainable development in Bulgaria, among which key are the limited dissemination of information and lack of country-specific interpretations of the concept on various levels of society. Second, but not least, is the "unrealistic" nature of the idea seemed to majority of new entrepreneurs whose first and utmost business priority is to survive in this hard period of transition.

In this same context, "sustainable tourist industry" in Bulgaria is still just a good "wish" for the Bulgarian politicians striving to bring Bulgaria into the European family of nations. It is indeed a long-term goal stipulated in key Governments programs, however, with little guidance and measures of how to deliver the idea to industry and communities. In a similar tune, a recent survey reveals that tourism planning is lacking in most Bulgarian municipalities this leaving the sector's development to market forces alone, an approach proved incompatible with the United Nation's Local Agenda 21 principles of promoting long-term local sustainability. The lack of indicator system for assessing success of efforts towards sustainable tourism coupled with insufficiencies and deficiencies of the statistical data, further acerbates the problems. However, since 1996, there has been a substantial progress.

Four years ago, the Government of the Democratic Union took over Bulgaria's future placing its integration into the European Union as a number one strategic priority. Since then, a number of positive steps have been made in tourism policy and development (Marinov 2000). *First,* there has been a transition towards a conceptually new policy towards sustainable tourism as the Concept of National Tourism Policy (CNTP) was introduced in 1996 (although never officially adopted). Tourism was recognized as a national priority sector in the Program of the Government of the Republic of Bulgaria 1997 – 2001 and the National Economic Development Plan 2000 – 2006 (NEDP). *Second*, an improved institutional management system was established providing for a better coordination with other ministries and sectors. In 1997 the former National Tourism Committee became part of the Ministry of Trade and Tourism transforming in 2000 to a Ministry of Economy. With the latter maintaining only regulatory and policy development functions, a "bottom up" approach has been utilized to promote innovative local tourist initiatives and services guided by the newly established (sixty local and four regional) Tourism Organizations (LTO) involving representatives of all sectors – government, industry, and non-governmental organizations. *Third*, the development of the main instruments of tourism policy, such as The Tourism Act of 1998, which provides the framework of policy in all levels of both the sector and government. Tourism has also been defined as a priority sector in most of the District and Regional Development Plans elaborated in 1999 in reference to the Regional Development Act (RDA 1999) and the National Regional Development Plan (NRDP 1999). However, despite the fact that sustainable tourism is a key goal of several main policy documents, there is yet no uniform vision of what the concept involves and how to implement it in real life tourism practices. This raises concerns but also ideas of what should be the focus of future policy efforts in the area, considering that increasing the competitiveness of the sector and its sustainability can be key to future success.

Looking again on the bright side, a major step forward, is the clear articulation of the priority policy areas of sustainable tourism in the 1997-2001 Government Program, which envisages, among other key mechanisms, speeding up privatization, increasing employment, improving quality of jobs in the sector, while introducing equate planning and management on regional and local levels. Furthermore, the 2000-2006 NEDP emphasizes also the importance of expanding policy targets towards promoting new forms of tourism such as cultural, eco-, adventure, and hunting tourism, conference tourism, and mineral and spa tourism, while improving the quality of tourism products and infrastructures supported by better marketing campaigns and new communication technologies. The above strategies, boosted up by a uniform tourism legislation conforming to European requirements, can be considered as a promising start towards raising tourism to the desired standards and level of development. Furthermore, using multi-stakeholder partnerships in promoting community tourism is another good reason for optimism. Several success stories, such as the "Pirin Tourism Forum" (which involves various actors to promote successful tourism in the Pirin mountain region) and the Twinning of Municipalities initiative developed in the framework of establishing a broader network for Agenda 21 between the communities (such as the one between the pilot municipalities of Velingrad and Asenovgrad and two other municipalities -Teteven and Svishtov where tourism plays a key role in the local economies), or the new "Public Forums" used in the cities of Gabrovo, Sevlievo, Troyan, Teteven, Tryavna, Apriltsi, Svishtov where tourism initiatives are being discussed on a broad community scale involving various concerned parties.

Thus, in summary, it can be concluded that there are indeed multiple difficulties ahead for tourism in Bulgaria. Along with the structural and organizational challenges, there are also issues of the sector's negative impacts on culture, communities, and the natural environment. Modern time problems such as the higher level of crime in tourist destinations, prostitution, commercialisation of cultural and historic heritage, and high pressures from rapid expansion, need to be taken into a consideration by government, industry, and the public. Enhancing the national infrastructure will provide spill over benefits to tourism development. A broad collaboration between stakeholders would ensure a longer-term success. Establishing visions supported by action priorities would ensure success of the process. Together, the national and regional governments must secure a working framework, while local authorities have to take the initiative to involve all local resources and actors in joint efforts to reach a more balanced development of the sector and the host communities. Industry, must further improve the quality of its products and services while uncovering new forms of tourism offering quality leisure and business opportunities to Bulgarians and visitors. A lead objective should be the promotion of cultural tourism emphasizing the country's history and heritage as a crossroads of southeastern Europe. Finally, but not the least, the civil society must use its influence on all parties to develop a responsibility towards a more sustainable tourism advantageous to communities and the society at large.

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