Life Cycle-Stages in History of Tourism in the Republic of Macedonia

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The aim of this paper is to explore the historical development of tourism through identified stages of the life cycle (TALC) model. Many of the major destinations in the world have a far longer history and go through various successive cycles with different phases. In this article, we present the case of Macedonia, as a Balkan mainland tourist destination. The analysis is based on primary and secondary data sources for an extended period. The article shows the life cycle of the tourist destination in combination and adaptation of new TALC model that matches regulation theories and the Ford paradigm of global model for tourism development of mass production and consumption. Finally, the paper suggests and recommends practical advice aimed at motivating key players in the formation of economic policy for tourism development.

Keywords: life cycle, TALC model, history of tourism, regulation theories, Ford paradigm, Macedonia

Introduction

Tourism as a global process is present in all countries including the Republic of Macedonia. Every country designs, adopts and implements strategies aimed at attracting more tourists and raising the competitive position in the global tourism (Avraham & Ketter, 2015; Huybers, 2007; Pike, 2005; Telfer & Sharpley, 2008).

The paper deals with the history of tourism represented first by proto tourism and the most frequently used life cycle (TALC) model for analyzing the development of tourism known as Butler (1980) model.

Because of its continental geostrategic location, the Republic of Macedonia functions as a bridge for the southern Balkan states, or more broadly speaking between Southeast Europe and Southwest Asia. Historically and traditionally, it is considered a space rich in various natural, cultural, social and economic values.

In recent years, much of the Macedonian economy has been geared towards the service sector and in this context, tourism has become one of the main “industries” in the state. The dynamics of the Macedonian tourism over the last few years, despite the changing situations of its main markets, is constantly increasing, particularly the number of tourist overnight stays. However, the process of tourism development in the Republic of Macedonia has been little studied from a historical perspective.

Our research finds that the first forms of proto-tourism were set in the late 19th century. The emergence of tourism and its growth was interrupted several times in history because of international actions in several wars, economic crises followed by the dissolution of the former Yugoslavia, as well as a civil conflict that occurred in one area in the country.

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These wars caused several interruptions in the development of tourism, i.e., we differentiated five TALC models of tourism. The focus is on the role of social communities through the various stages in the development of tourism running from the ‘50s onwards, and especially in the ‘60s, ‘70s and ‘80s when tourism gained massive character.

The study has three objectives: firstly, to identify the early proto tourism, secondly, to identify the stages of development or life cycle (TALC) model of tourism, and thirdly, to explore the role of social communities and government in the process of policy making and planning related to the development of tourism, which corresponds to the regular theory and Ford’s paradigm of global model for tourism development of mass production and consumption.

**Literature Review**

The literature that studies the origin and development of tourism in the country is insufficient and mainly deals with medium-term analyses of economic geography. In the analysis, nobody goes beyond the 20th century (Karanfilovski, 1967; Baseski, 1976; Panov, 1996, Stojmilov & Toshevska, 2016; Petrevska & Krainer, 2016). On the other hand, international studies show that the history of tourism is relatively new material (Butler & Wall, 1985; Towner, 1988) and that the main research interests focus on cultural-historical evolution of tourism (Buzard, 1993; Inglis, 2000; Pemble, 1987). In recent years, research in the history of tourism has made significant progress with new experiences (Walton, 2005; Garay & Cànoves, 2011). In this case, as a good practice in the life cycle of historical stages, we are guided by the example of Catalonia (Garay & Cànoves, 2011).

According to Butler (2009), the TALC model works well for destinations whose lifespan was founded a century ago or more. One of the main values of the TALC is that it interprets several evolutionary stages of tourism development. The TALC model interprets the changes in the number of tourists visiting the area (demand) and the subsequent expansion of infrastructure, mainly that of accommodation (offer) and communication (transport).

Special attention is paid to public intervention in the development and characterization of tourism, local stakeholders and the relationship between the two. Butler, as a custom set of theories, has previously been used in many fields, such as sociology and management. The model is quite recognizable when it explains the development of tourism in certain areas or countries (see Figure 1).

At the same time, the Butler model is represented through several stages and theories of scenarios. The process begins with phase “survey” of the tourist area where a small group of tourists are attracted to the natural and cultural environment and are interested to visit and stay in the studied tourist area. In the second phase, called “inclusive”, local initiatives produce activities for the development of tourist facilities and enhancement of the area by increasing the number of new tourists.

The third phase, “development”, is characterized by a progressive increase in the number of tourists, who are attracted by the increased promotion of the destination. In the next phase, “consolidation” the rate of visits by tourists can decrease, despite the fact that in absolute terms this is not perceived. The next stage, “stagnation”, is known for record numbers of tourists, but the destination is no longer a fashionable one, it becomes conservative, part of the tourism infrastructure is now used by other types of businesses, etc. From this point, many scenarios are possible. Initially, if there is no reorientation of tourism through the activities of private local stakeholders or the public administration, destinations will enter the sixth stage called “decline” in
which the hospitality area is not able to compete with its rivals and is found in a spacious and numerical recession. However, if private local stakeholders and the public administration conduct some reorientation of the tourist area, its tourist activities may enter a different phase. This phase involves reorientation or re-discovery of the tourist area, and consequently the sixth phase will fit rejuvenation dedicated almost completely to changing the features and attractions of the tourist area. Following the publication of the article for TALC model (Butler, 1980), there were and still are frequent bibliographic references to the model in addressing various aspects in the development of different tourist spots but also opening up new topics for discussion. Among them are those who debated on the functionality of the model, especially the transition between Fordist and post-Fordist phase (Lagiewski, 2009).

In fact, through the study and development of the tourist destination according to the Fordist context for more decades, we wanted to see whether this concept can be combined and applied to a particular destination.

![Figure 1. The tourism area life cycle model (Butler, 1980).](image)

**Material and Methods**

After reading this literature, we conclude that TALC can serve as a good theoretical framework but should be combined with other approaches for two specific reasons. Firstly, because his explanation to the decline process after a period of stagnation seems to be too simplistic and restrictive (in accordance with the ideas of Agarwal, 2002). Secondly, because our idea was that evolution and decline of tourism is the result of long-term analysis, a life cycle with several large consecutive stages.
In this respect, one of the main assumptions of our idea is that tourism in the country went through five TALC models traced through four major phases (proto-tourism, pre-Fordism, Fordism and post-Fordism) of tourism development during the past century. These phases are characterized by different modes of accumulation of tourism (production and consumption of tourism activities) and tourism models of regulation (political, institutional forms and competence regarding tourism), the evolution and transformation are influenced by cultural, social, economic and technological elements. The uniqueness of the location and interaction between different tourism stakeholders (domestic and foreign) are also decisive in this evolution. As Butler (2009) pointed out, tourism is much more than economic activity, and as such, is more susceptible to be influenced by non-economic factors. In turn, these stages of tourism are closely related to the general regime and the accumulation of the economy that drive the dynamics of tourism in the destination.

From this premise, we use a methodology aimed at detecting changes in these elements (cultural, social, economic and technological) where the territorial element and dialogue between the actors play an important role and reorganization of the industry. Finally, and perhaps one of the most important points of each of these stages of tourism can be described by a differentiated Butler TALC, where the dialectics between tourism, society and the environment is taken into account. In this sense, we use a wide range of primary and secondary sources, i.e., statistical and bibliographical sources starting with the initial discovery of historical descriptions made by the first travelers, observers and tourists, and ending with the official database of statistics on tourism - regarding the number of tourists and overnight stays.

**From Discovery to Professionalization**

The survey about the beginnings of tourism in the country, i.e., the stage of proto-tourism, comprises the period from the late 30s of the 19th century, a period when Macedonia was part of the Ottoman Empire. It is a time of the so-called “Grand Tours”, directed towards the Ottoman Empire. The majority of travelers headed along the famous route Via Egnatia, and rarely on the route north - south (at least not until 1873). Interest in the European part of the Ottoman Empire is gathering momentum from the mid-19th century, when a small group of travelers (scientists, artists, diplomats, etc.) from Western and Central Europe, explored and stayed in the larger Macedonian cities. These “first tourists” after returning to their home countries published their impressions and discoveries in various natural-scientific, economic, social, cultural, religious, political and other articles. Based on their descriptions, the first guides and the various items they carried with them to organize exhibitions of artifacts, drawings, photographs, postcards, etc. were published (Matkovski, 1992a; 1992b; 2000; 2001; 2002; 2005).

Almost in all descriptions, in addition to natural beauty, monasteries and spas, it is emphasized that opportunities for longer and mass stay in this area are uncertain and doomed to failure from the beginning. The weak culture of central and administrative authorities, but also the attitude of the local population towards foreigners, the lack of adequate hotel accommodation, poor hygiene and the ability to easily get sick, the lack of freedom of movement, the possibility of easily getting into trouble or becoming prey to robberies, etc. are stated as reasons for that.

The situation was improved with the emergence of the railway line Thessaloniki - Skopje - Belgrade in 1873, when along the railroad the first hotels in Skopje, Veles and Gevgelija were built. Hotels were also built along the route Via Egnatia, in Bitola and Ohrid, especially after the construction of railway line from Thessaloniki to Bitola in 1894. Later on, hotels were built in other Macedonian cities. In 1912 in Macedonia, there was a total of 16 hotels (see Figure 2) (Matkovski, 1992a; 1992b; 2000; 2001; 2002; 2005). Data for
guests in hotels are not available, it is likely that no records were kept or were lost. Proto-tourism or this first TALC phase was interrupted by the Balkan Wars and World War I, when the crumbling Ottoman Empire and Macedonia were divided between the neighboring countries.

The second TALC model is actually the beginning of the tourist stage. This phase lasted for about 15 years (1925-1939), but was followed by social, economic and political problems. It is the period when the area of the Republic of Macedonia was part of the Kingdom of Yugoslavia (1919-1941). During this period, influenced by new cultural, economic, social and technological changes, tourism had significantly transformed and adapted the market to a new type of demand. Then the first better hotels (with higher quality in the rooms, lifts, garages, etc.) appeared. There appeared the first modern restaurants (with modern kitchens and services), new forms of transport (cars, buses, planes), the first organized tourist visits (in cities, spas, monasteries in major cities, but also abroad), the first statistics (for domestic and foreign tourists and overnight stays), the first children resorts, spa sanctuaries, tourism and mountaineering associations and unions (the building of hiking and other lodges), emergence of tourist trips, the first swimmers in the Ohrid Lake and printed guides. There was a new regulation for hotels and restaurants, new organization and professionalization for hotels and restaurants, etc.. The movement of tourists in this period oscillates from 78,193 tourists in 1929 to 46,385 in 1934, again increasing to 55,122 tourists in 1939 (see Figure 3) (GSS, 1929-1940).

![Figure 2](image1.png)

*Figure 2. The movement of hotels in the Republic of Macedonia for the period of 1843-1912. Source: Matkovski (1992a; 1992b; 2000; 2001; 2002; 2005).*

![Figure 3](image2.png)

Finally, in terms of the stage of development of tourism in this pre-Fordist phase, in accordance with the regulation and TALC theory, significant efforts were made in the field of tourism. Nevertheless, social change, military and political problems (economic crisis and World War II) seriously disrupted the initial development of tourism (see Figures 4-6).

Figure 4. The evolution of tourism in the Republic of Macedonia explained by TALC model. Source: Garay and Cànoves (2011), adapted to a Macedonian case study. Preparation by the author.
From Mass to Flexible Manufacturing

The third TALC model in the post-war crisis started with the entry of Macedonia as a federal unit of SFR Yugoslavia (1945-1991). In fact, the third TALC model is a typical example for all stages of the life cycle of a destination. During the first years after the war, there was a period of renewal and industrialization with underdeveloped material base for development of tourism.

The period from 1947 to 1953, named as the investigation phase, is characterized by a centralized administrative system of planning and management of the economy, with a focus on domestic tourism. The new phase of involvement of tourism starts from 1954-1968, when the country introduced incentives for the development of tourism, through the abolition of the beneficial treatment of the workers resorts and starting free pricing, introducing grants for hospitality facilities, construction of accommodation facilities, etc. In 1957-1961, the material basis in hospitality significantly increased.
The number of tourists was increasing primarily due to various measures and activities undertaken for the introduction of “open doors” (“open door”) and the policy of “good neighbor” of the government. The years between 1961 and 1965 influenced by economic and currency reforms had seen a significant expansion in the international tourism. In the period from 1965-1990, the tourism industry is categorized as an activity of special importance in the overall economic development.

Around the same time, in most countries in Western Europe, this Fordist phase of mass tourism (from 1959 onwards) was represented by a new system of accumulation and coherent model for the regulation of activities in tourism based on mass production and consumerism as well as consolidation of welfare. This phase of the new social and economic paradigm is known as the golden age of capitalism, where tourism played a leading role in most Western countries and is considered the fourth wave that changed the lives of most of its citizens (Dower, 1965). This new phase has also been associated with a new life cycle.

In this Fordist phase, the nature of tourism also began to change in Macedonia, namely, there was a new influx of tourists. These new tourists were not traditional - domestic, but foreign tourists from neighboring countries, as well as tourists from other European countries (the first Germans, French, British, Dutch tourists etc. came), attracted by the Macedonian sun, natural beauty and cultural affinities, and of course the low prices of the underdeveloped destinations (Ohrid, Prespa, Dojran, Skopje, etc.). With the growth in the number of visitors and overnight stays, the number of accommodation facilities of small low-quality hotels moderately increased, the financing for which was done by the local capital.

During the development phase (1969-1980), the government engaged in meaningful interventions including the introduction of tax credits, construction of new tourist facilities, use of loans and credits for regional development and a number of other stimulating elements designed to boost tourism demand. In the observed period, high investments were noted in tourism, and tourism is characterized as an activity of particular importance for the overall economic development. This also applies to a new stage in the assumption of the TALC model which means involvement of the country’s political economy in one of the most important steps in using funds from the World Bank for Macedonia. Therefore, from the early seventies, the construction of large and modern hotels began in all major cities in the country, which is one of the most important steps in the development of tourism.

On one hand, from the natural and cultural perspective, Macedonia is seen as an exotic destination with a long history, untouched and unknown to tourists. On the other hand, the increase in supply and demand results in increased revenue, the active involvement of the local economy and some technological improvements and especially attractive charters have become favorable for the development of the tourism in the region.

The government work focuses heavily on promotion of Macedonian tourism (from a national point of view only, excluding regional peculiarities) and was less concerned with regulation and intervention. In fact, the goal was not to interfere too much with activity while enjoying spectacular growth and driving the rest of the economy. However, the total lack of regulation (especially in terms of territorial planning of local destinations) was supposed to have a crucial impact in the future.

At the end of the 70s, the demand continued to grow, compensated by strong growth in national demand, resulting from growth in the Macedonian gross domestic product per capita. Finally, after 20 years of uninterrupted growth, the destination has experienced stagnation (see Figures 7-11).
During the 70s and 80s, there was a multiple rise in the prices of fuel, due to the global economic crisis, and it has affected the demand for charter flights (Iribas & Gaviria, 1974). The intermediary companies and tour operators finally reached the local network by increasing the prices. Almost identical things happened in Macedonia, and in addition to this, there was a growth of labor costs in the area of tourism. In this context, the consolidation phase (1981-1985) started, restating the importance of regulation in the consolidation of Fordist paradigm and the evolution of its connected life cycles. At this stage, the total number of tourists increased by 30% compared to the preliminary stage. Shortly after came the phase of stagnation (1986-1988) when investment in hospitality and tourism shrank. Nevertheless, the number of 1,183,160 tourists and 3,978,028 overnight stays was reached. In 1987, the Assembly of Yugoslavia adopted a strategy for development of tourism in Yugoslavia where a particular place was given to Macedonia. Still, starting from 1988, unfavorable trends in tourism were recorded as a result of economic and political crisis.

The last phase is the phase of decline (1989-1990) characterized by a decrease in the total number of tourists, tourist spending, the quality of the tourist product, social problems, instability, resulting in armed conflict and the beginning of the disintegration of Yugoslavia.

TALC fourth model starts from 1991, i.e., from the dissolution of Yugoslavia and the declaration of independence of the Republic of Macedonia. This is connected with the beginning of a new cycle of the life of tourism. Again tourism was put in transition, and a process of discovery started, or a new series of cycles according to Butler, but also in the overall pattern of development in the post-Fordist stage. The interval between 1991-2001 for the Republic of Macedonia meant quite unstable period and is characterized with destructive effects caused by many destabilizing events (economic crisis, sanctions, blockades, political instability, internal ethnic conflict, etc.), and decline in the number of tourists on 333,308. However, in the world, especially after 1994, a new stage of development phase of post-Fordism began, with a new record demand in tourism (Garay & Cànoves, 2011).
From 2001 onwards, the fifth TALC model started, which included a constructive tourism cycle. Namely, it started with new studies, low-key and rare visits, followed by the inclusion of a new type of tourist demand of educated and experienced people who were interested in finding new forms of tourism that were affected by the uniqueness of the location, therefore giving greater importance to rural areas, cultural, urban and spa tourism (Cànoves, Villarino, Priestley, & Blanco, 2004).

These forms of tourism suddenly saw much greater demand, which increased the total number of tourists, while traditional (lake) sun and sand embraced new strategies and emergent products in order to become rationalized (Clave, 2004).

The progressive development of the destination began in 2005 through a blend of two general life cycles of mass tourism, which were under consolidation and extension of post-Fordist tourism. These processes are related to the democratization of the phenomenon of tourism and the culmination of the national demand for tourism, which has become dominant in relation to the total level of demand. In Macedonian tourism, this is clearly evident through two processes that are common in the general post-Fordist paradigm: on one hand, the transfer of tourism whose competencies were previously assumed by the country in favor of supranational bodies such as the decentralization of the tourism authorities and the policies of the new democratic government. This was also the time when many local councils began to think about promoting tourism with a new understanding of the implications of the sector for infrastructure development and economic growth in general, which again is closely related to the assumptions of TALC and Fordist paradigm.

In this context, the new autonomous policy of tourism arising from the decentralization process from 2010 fundamentally increased for better understanding of the evolution of this new post-Fordist period and the management of tourism by bringing it to the location. This is especially important because of the greater familiarity and knowledge about the reality of the sector by the local government, their greater contact with business representatives (chambers of commerce, business associations, local entities) and their capacity to deal with the specifics of each destination and find out how to become more specialized and give more attention to the tourists. In this process of transformation and improvement, ICT had a significant impact on Macedonian tourist companies, as the basis for a new technological paradigm and change in tourism consumption. The involvement of the public and private sector to improve the destinations with significant growth of accommodation capacities and the growth of certain types of tourism should also be referred to in this context.

In this sense, the role of the government is evident in the increased demand for domestic tourism (subsidized climate - thermal treatments for pensioners, weekend and monastery tourism, etc.), while international tourism returned to the scene thanks to an increase in certain types of tourism (especially the urban concentrated in Skopje), then the promotion of new activities in lake resorts (Ohrid, Dojran, etc.), expansion of airports, subsidizing low-cost charter flights to several European destinations, subsidized tours for foreign tourists, transformation of demand related socio-cultural changes, subsidizing the promotion and organization of numerous events aimed at tourism, etc..

Finally, the article suggests that we are facing the definitive consolidation of post-Fordism in Macedonia, which is characterized by adjusting the product for tourism especially oriented to the value of territorial resources and tourist experiences.

LIFE CYCLE-STAGES IN HISTORY OF TOURISM IN THE REPUBLIC OF MACEDONIA


Conclusions

The article proves that the TALC about regulatory theory can create a valid framework for describing and understanding the history of a tourist destination. By means of all the featured images, the evolution of the destination can be displayed, explained and understood in this theoretical framework. We saw how the first proto-tourism paradigm or phase began with the research phase, which started with the arrival of the small number of the first explorers and adventurers. The pre-Fordist stage involves the beginning of a new TALC, associated with industrialization and the beginning of tourism and consumption limited to elites, but also promotion of the associations and the public sector. After a break during the war and post-war period, tourism in Macedonia began a new TALC which corresponds to the new paradigm, the Fordist paradigm. It is a period of adaptation in the field of regulation and development of a new phase of mass production and consumption in a destination and a period of mass tourism in Macedonia. Finally, in the 70s, after the impact of energy and economic crisis, there were changes in the demand, motivated and linked to the telecommunications revolution and the period of a new post-Fordist stage.

However, tourism development was interrupted by the break-up of Yugoslavia. It took 10 years for the new, independent Macedonia to deal with severe economic and political crisis also affecting tourism consumption and to start moving forward again.

From the perspective of TALC, the article shows how each of the main paradigms which analyze the history of tourism can be understood through a life cycle (earlier applied especially in the case of mass tourism). However, the TALC does not offer a complete guide on how the transition from one phase of the life cycle actually works. In that sense, regulation theory offers a good approach to finding out what led the restructuring process between these paradigms, and we believe that this is probably one of the most innovative aspects of the article. In this respect (Butler, 2006), it is possible to observe the historical development model that is similar to the one shown in the pictures, but it deals with the establishment of new centers in neighboring locations, and not a restructure in one destination.

Finally, in this article, we see how production and consumption of tourism systems faced major structural transformations and produced crises, which were overcome by adaptations to the regulation of tourism (new institutions, laws, competences, new forms). As a final consideration, we believe that history can offer good lessons by observing the historically developed model (shown in Figure 12) for the present and future of this industry. As demonstrated in this paper, if we want sustainable and profitable growth in the future, the current goal should be to defeat conservative positions and short-term visions and to support new facilities in tourist destinations.

In order to achieve this, we propose and recommend systematic changes through improvement of the tourism product, introduction of new innovative approaches, better promotion, strengthening of the role and coordination between the central and local authorities in favor of better quality tourism.
Figure 12. The evolution of tourism in Macedonia explained by TALC and regulation theories. Source: Garay and Cánoves (2011), adapted to a Macedonian case study.

References
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