



SAFETY AND SECURITY AS FACTORS OF TOURISM DESTINATION COMPETITIVENESS

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Abstract:

Competitiveness on the global market represents one of the key factors and challenges for tourism industry and all its activities. The aim of the paper is to highlight the significance of tourism industry for economic development and employment, as well as to discuss and conclude on the importance of safety as a factor of competitiveness of the Republic of Serbia as a tourism destination. The analysis has been carried out in order to gain insight into Serbian competitiveness, in relation to destinations inside the region of Southern and Western Europe. Also, the time series have been used to present the specific pillars of tourism destination competitiveness and development of Serbia, especially safety and security pillars. In this paper, we shall present some of the implications of the current positioning of Serbia as a tourism destination, based on the use and analysis of the competitiveness index of the Republic of Serbia.

Key words:

safety and security,
competitiveness,
tourism destination,
index of competitiveness,
the Republic of Serbia.

1. INTRODUCTION

According to the database of the United Nations World Tourism Organization (UNWTO), the tourism industry has recorded a considerable rise despite the crises and natural disasters. Globally, international arrivals increased from \$25 million in 1950, to \$278 million in 1980, and from \$527 million in 1995, to \$ 1,133 billion in 2014. Also, the incomes from international tourism industry have increased from \$2 billion in 1950, to \$104 billion in 1980, and from \$415 billion in 1995, to \$1245 billion in 2014 (UNWTO, 2015a; UNWTO, 2015b). The World Travel and Tourism Council (WTTC) states that tourism industry provides 277 million working places, and participates in the global GNP with 9,8% in the year 2014 (WTTC, 2015b).

The competitiveness of the state is the capability of the country to specialize and implement its resources for the purpose of increasing its real income and maintaining positive equilibrium of the current account balance, based on a transparent and effective national macroeconomic policy and strategies in its different industries.

The World Economic Forum (WEF) in Davos issues annually the reports on the competitiveness of countries, such as the Global Competitiveness Report starting from 1979. For tourism and travelling purposes, the Global Travel and Tourism Report has been issued biennially ever since 2007.

2. THE CHARACTERISTICS OF SAFETY AND SECURITY FACTORS

The Travel & Tourism Competitiveness Report (WEF, 2015) offers methodology for measuring tourism competitiveness. The Travel & Tourism Competitiveness Index (TTCI) represents the measure of factors and policies that enable sustainable development of travel and tourism sectors that contribute to the overall competitiveness of the country. The TTCI is published and presented every two years. In 2015, there were 141 countries participating in the index calculation and measurement. The global index includes 4 sub-indexes (favourable production conditions, travel and tourism policies and incentives, infrastructure, and natural and cultural resources). Each of these sub-indexes is divided into pillars (14 in total), and each pillar is divided into indicators (90 in total).

Over the past recent years, (WEF, 2015), the terrorism has been on the rise, while the world has been facing geopolitical tensions in the Middle East and Ukraine, South East Asia, fear and threats of global crisis on the travel and tourism industry such as safe travelling and accommodation for leisure and business travellers *etc.* So far, the effects of the mentioned troubling factors and effects have been treated differently in diverse countries. While some countries faced a significant decrease in inbound tourism, other

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countries did not have that problem. In the future, one can expect that the issue of uncertainty of the travel and tourism sector will continue.

On one hand, the developed economies are facing low rates of economic development while developing countries are facing slow economic development. On the other hand, the world is in the process of constant globalization. Having that in mind, the theme of the WEF TFCI report for year 2015 is "Growing through Shocks". This report represents the current global context and complexity of the situation, which has to be solved in order to contribute to future economic development.

The tourism market is sensitive to social or political instability within a destination. Accordingly, significant decline in tourist arrivals occurs during the periods of warfare or other conflicts.

The negative effects of war on tourism are not necessarily confined to the actual war zone or period of conflict. The decline in arrivals was, in large part, due to global uncertainty, associated with both the prelude and aftermath of a particular incident (Weaver & Lawton, 2010).

Deliberate targeting of tourists and tourism facilities by terrorists represents an increasingly disturbing trend that resulted in several factors. Among these factors is the knowledge that disruption of tourist flows can have severe economic and socio-political repercussions on the countries where this sector makes a significant contribution to GNP.

Beyond the macro level forces of war, unrest and terrorism, destination viability is affected by the extent to which tourists perceive a place to offer a high level personal safety in terms of everyday health and well-being. Deterrent factors include high crime levels, susceptibility to natural disasters, such as earthquakes and hurricanes, unsafe drinking water and food, and the prevalence of diseases such as malaria and AIDS. Tourist deaths and injuries associated with traffic-related and other accidents can also generate negative market perceptions, prompting some destinations to pursue strategies to minimize their occurrence.

Tourism is sensitive to crisis caused by economic factors, and crises caused by non-economic factors. Also, tourism has proved the high extent of ability for its recovery, which resulted in a positive tendency in its development, accompanied by occasional periods of stagnation caused by negative environmental factors.

Negative environmental changes have led to changes in tourism activities in terms of reducing the number or redirecting of the regular travel (Živković, 2014).

Special attention to travellers and tourist safety was intensified in the 80s, along with the development of the trend of increased number of dangerous situations tourists were facing. The problem of safety and security became the problem of tourism institution and the entire country, since guaranteed safety increases the likelihood of visits to a particular destination.

Panic and insecurity among tourists, especially in hotel industry, is usually caused by fire. Tourist health can be seriously jeopardised by poor hygiene and infections (TripAdvisor, 2015). However, ecological catastrophes and epidemic are by far the most dangerous threats to tourists and tourism development.

Most commonly, travellers experience abrupt and dramatic changes of ambient conditions, which can negatively

affect their health and well-being. Travelling also includes changes in altitude, temperature, and humidity, as well as being exposed to the bites of dangerous exotic animals and insects. Negative contact with accidental changes in the environment can be reduced by taking precautions measures (Popescu, 2008; Becken, 2010).

Environmental security is always seriously jeopardised by local and regional crisis whose main characteristic is their abruptness. Those crises usually accompany some global change or disaster, such as: civil riots and wars, ethnic conflicts, illegal migrations, trafficking, smuggling of narcotics and weapons (Shelley, 2014). Tourism itself is sensitive to changes in political and security environment, especially in terms of war and terrorism risks (Mata-Lima *et al.*, 2013).

2.1. Unfavourable state of environment and natural disasters

Natural disasters are caused by climate changes, hydro meteorological and biological activities, which directly influence natural and urban environment (Mata-Lima *et al.*, 2013). One of the common characteristics of natural disasters is their abruptness, like with earthquakes and landslides. However, contemporary science and modern technologies enable prediction of some of the disasters, their time, place and intensity.

One can conclude that disasters are pretty complex in their nature. Thus, the consequences of accidents could be enormous and disastrous, leading to serious disruptions in natural and social sphere, followed by human and material loss, spread of diseases *etc.*

Natural catastrophes should be approached by complex prevention, through establishing strong cooperation between science, high technologies and civil education when dealing with changes and their consequences.

Among numerous aspects of natural disasters, climate changes are one of the strongest and should be pointed out. Climate changes exert a strong impact on the operation activities in the tourism industry. One of the conclusions of the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) 2014 was that climate changes are unambiguously the result of human activities, especially CO₂ emissions into the atmosphere. The fatal emission changes are clearly visible in all regions worldwide: global warming, green house effect, *etc.* (CISL, 2014).

There have been strong attempts towards establishing connection between positive climate activities, the existing tourism destinations and sustainable development. Important factors that should be considered and included in the process include air temperature, wind chill effects, humidity, radiation *etc.* Also, some other elements, such as wind speed or snow depth may be important when planning recreational activities, in particular tourism destinations. The climate parameters can be jointly considered into a single index, which is used to indicate adequate places for planning and managing specific tourist activities (Becken, 2010)

2.2. Political uneasiness and security situation

According to numerous research tourism connect great deal of uncertainty and concern with personal physical unsafety, which is extremely visible during political and



war crisis. Nowadays, terrorism represents the strongest threat to physical safety. Most people agree that the world has changed after the attacks in London, Madrid, and New York. Terrorist attacks could occur anytime and anywhere.

The Global Terrorism Index shows the direct and indirect influence of terrorist attacks in 162 countries, expressed through particular indicators. This study is produced by the Institute for Economics and Peace (IEP), and is considered the most comprehensive global dataset on terrorist activity.

According to the GTI, over 80 per cent of lives were lost due to terrorist activity in 2013 in only five countries – Iraq (10), Afghanistan (9.39), Pakistan (9.37), Nigeria (8.58) and Syria (8.12)¹. In 2014, ranking and score for the countries in region were the following (Table 1):

Table 1. Rang and scores, Global Terrorism Index, 2014

rang	country	GTI
75	Macedonia, FYR	1.45
86	Bosnia and Herzegovina	0.76
87	Montenegro	0.7
89	Serbia	0.58
105	Croatia	0.23
107	Albania	0.19
124	Slovenia	0

Source: Institute for Economics and Peace (IEP)

Data in this report are essential for contributing to risk management of future terrorist attacks in countries with low levels of movement.

2.3. Epidemics, road traffic accidents, violence and injuries

Every travelling is connected with health risks. Most of the risk can be avoided or significantly reduced through proper education of people, health promotion, prevention of diseases, and environmental protection. These activities require responsibility of professionals such as tourism and health workers, as well as tourists themselves.

Health protection and safety risks, especially those connected with tourism companies, are related to business risks as they come from business processes that are highly labour intensive. Tourism product is complex and comprises a wide range of service elements. It is being consumed on the spot, while being produced, and requires interaction not only between the personnel and natural, physical environment (facilities, equipment *etc.*), but also with the tourists who actively participate in creating tourism products. Accordingly, professional, health, and safety risks are being multiplied, which increases adverse effects on the business goals and strategies of tourism companies, as well as on employees and tourists themselves (Dimitrov, 2009).

Insufficient health protection can be regulated by poverty perception connected with the tourism destination, as well as with the incidence of different diseases such as malaria, cholera, AIDS, hepatitis *etc.*, which represent a serious threat to the health of tourists and their fear connected with the destination.

Key factors which determine tourist exposure to risks (World Health Organization, 2015) include:

- ◆ destination
- ◆ length of visit
- ◆ purpose of visit
- ◆ accommodation and hygiene
- ◆ tourist behaviour.

Traffic accidents have become the most usual cause of tourist accidents. Traffic accidents and violence impose significant risk for travellers in many countries, especially in developing countries, where professional help is usually poor and not always on disposal.

Accidents and injuries may occur in different places, such as recreation facilities, swimming pools, scuba and surfing spots, *etc.* The most significant risks for tourist health are drowning, head and spinal injuries. The data show that at least half a million of deaths are caused by drowning every year. Also, one of the key causes of death in tourism is freezing. The possibility of infection is high in shore water, as a result of large number of pathogen micro-organism inhalation due to human and animal factor, and water pollution effects (World Health Organization, 2009).

Tour operators, tourist agencies, airline and shipping companies should be responsible for health protection of their travellers. Health protection and tourist safety should be the primary interest of the entire tourism and travel industry. The goal is to reduce and avoid potential issues while travelling abroad. Thus, highly professional tourist agencies organize meetings with tourists before trips and journeys, in order to inform them about the situation at the destination (World Health Organization, 2009).

3. SERBIAN TRAVEL AND TOURISM COMPETITIVENESS

Direct contribution of Travel and Tourism sector (T&T) to Serbia's GDP was 2.1% in 2014, with the anticipated rise by 5.2%, from 2015-2025 (2.5% of total GDP). The total contribution was 6.1%, with long-term forecasts by 7.2% of total GDP.

In 2014, T&T sector directly supported 35.000 jobs (2.6% of total employment). In 2014, the total contribution of Travel & Tourism to employment includes jobs indirectly supported by the industry and equals 6.4% of total employment (87,500 jobs) (WTTC, 2015b).

According to the WEF available data from 2008, a decline in Serbian ranking is evident according to the related factors. The decline can be traced to factors such as TT human (5.1 in 2008 - 4.29 in 2014), cultural and natural resources (2.73 and 2.27 in 2008 – 1.61 and 1.90 in 2014) and TT regulatory framework (4.27 in 2008 and 3.83 in 2014) (WEF, 2015).

Enabling Environment embraces general assumptions necessary for the development of activities of the country: 1. Business Environment, 2. Safety and security, 3. Health and hygiene, 4. Human resources and labour market, 5. Capability to use information and communication technologies. Table 2 gives an overview of global and regional index, as well as the values of five pillars engaged in Business Environment in the tourism sector of the Republic of Serbia and some countries of Southern and Western Europe.

¹ GTI ranks and scores (1-10), 2014



Table 2. T & T index and Enabling Environment Pillars, values, 2015

country	Global rank	Southern and Western Europe rank	Business Environment	Safety and Security	Health and Hygiene	Human Resources and Labor Market	ICT Readiness
Spain	1	1	4.09	5.97	6.11	4.87	5.26
France	2	2	4.52	5.44	6.52	4.96	5.55
Germany	3	3	5.32	6.06	6.85	5.18	5.51
Croatia	33	19	3.65	6.00	6.33	4.41	5.03
Slovenia	39	23	4.03	6.20	6.05	4.69	5.07
Montenegro	67	33	4.39	5.69	5.71	4.85	4.42
Macedonia, FYR	82	34	4.87	5.75	5.99	4.47	4.47
Serbia	95	35	3.38	5.46	6.04	4.29	4.45
Albania	106	36	4.11	5.34	5.22	4.68	4.07
S&W Europe average			4.56	5.95	6.23	4.87	5.14

Source: Adapted from <http://www.weforum.org/issues/travel-and-tourismcompetitiveness/ttci-platform>

Security is a key factor which determines tourism sector competitiveness. There is a great likelihood that tourists are to refrain from travelling to dangerous countries or regions, which makes this sector less attractive for development in these destinations. For the purpose of calculating the security index, the total cost incurred will be taken into consideration, arising from crime, violence and terrorism, as well as to the extent one can rely on police forces in providing protection from crime.

Table 3 presents an indicator structure of security index for Serbia for the year 2015. The first three indicators presented in Table 3 are derived from the World Economic Forum's Executive Opinion Survey, and are always expressed on a scale of 1 to 7 (1=the worst score, 7=the best score). The other two are derived from other relevant international databases, such as the International Air Transport Association (IATA), the International Union for Conservation of Nature (IUCN), the UN World Tourism Organization (UNWTO), and the World Travel & Tourism Council (WTTC).

Table 3. Safety and Security value structure, and global rank, Serbia, 2015

Safety and Security	5.5	59
I n d i c a t o r s		
Business costs of crime and violence†	4.2	86
Reliability of police services†	3.8	89
Business costs of terrorism†	5.5	58
Index of terrorism incidence*	7.0	79
Homicide rate*	1	30

Source: T & T Competitiveness Report, 2015

Regarding **Safety and Security**, together with **Health and Hygiene**, Serbian tourism is better positioned compared to other pillars, especially International Openness Pillar, Infrastructure Pillars and Natural and Cultural Resources Pillars. Nevertheless, according to the WEF T&T Competitiveness Index 2015, in the Southern and Western Europe, Serbia assumes second-to-last place.

4. SUMMARY

According to the results of the survey on competitiveness in 2015, and additional quantitative and qualitative data and analysis, T & T industry continues to grow and could be considered "shock-proof". In addition, new trends are emerging, which provides benefits to the countries capable of using new potentials for development. Growth and development of T & T sector create potential for development of other countries regardless of their wealth, offering employment positions at different levels, which is also very important for Serbia as a tourism destination.

A favourable geographical position and accessible natural and cultural resources contribute to tourism development throughout year and positioning of Serbia as a tourism destination.

According to the World Economic Forum, the downturn in Serbian competitiveness ranking is obvious. The downturn is apparent in the human resources sector, as well as in cultural and natural resources sector. Especially, significant downturn is evident in policy regulations sector, which can be explained by incompatible access to development strategy in tourism sector accomplished by national institutions.

In this paper, we have also presented that the Republic of Serbia, as a tourism destination, still does not use sufficiently all its benefits and potentials, based on the factors and indicators from the period 2007-2014. Risk perception, in the context of tourism industry, can be defined as perception of tourist experience in the process of purchasing and consuming tourism products and services, based on possible dissatisfaction or problems related to it. The concept comprises different risk categories, among which the most significant would be financial, physical, psychological, social, political (instability and crisis), health, terrorism, *etc.* In order to promote and develop Serbia as a competitive tourism destination, continuous research and analysis has to be established between risk perception and travel intentions of tourists and visitors. Identification of safety and security risks, and their reduction, should contribute to elevating tourist satisfaction and building of a better image of Serbia as a tourism destination.



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