

Cross-Border Tourism and its Significance for Tourism Destinations

Roman LIVANDOVSKI¹

Abstract

This article is concerned with cross-border tourism. It enhances the importance of cross-border cooperation in tourism. Cross-border cooperation is a form of international cooperation, along with interregional, transitional and trans-frontier cooperation. Cross-border regions often share the same historical and cultural traditions and attractive natural landscapes, such is the case of the Republic of Moldova and Romania. In both cases, cross-border regions can benefit from cooperation – cooperation can help create greater diversity and differentiation of the range of tourism and environmental products; create economies of scale and make promotion more effective, and can help better address specific problems or issues for tourism development.

Key words: cross-border tourism, cross-border cooperation, tourism destination.

1. Introduction

Tourism is regarded as an important component of regional economic development actions and a significant source of employment in the European Union. This was recognized in the Treaty of Maastricht which acknowledged for the first time that EU policies should include measures in the field of tourism. In most of cross-border regions, tourism is now an important component of development strategies or concepts, and is one of the priorities in their INTERREG Operational Programmes.

In April 1995, the European Commission published a Green Paper on the role of the European Union in tourism development, which aimed to stimulate debate on how to maximize the effectiveness of the EU's role in assisting tourism.

The principal EU *instruments to support tourism* include the following:

- the EU Structural Funds through the main Community Support Frameworks and Single Programming Documents and several Community Initiatives (especially Leader in rural areas and INTERREG) offer a major contribution to the development of tourism in regions of the EU and seek to achieve the objectives of economic and social cohesion as defined under article 130a of the Treaty;
- the internal market policies which are promoting a favorable environment for the growth of trade likely to promote intra-Community tourism and the

¹ Roman LIVANDOVSKI, PhD, Assoc. Prof., Academy of Economic Studies of Moldova, e-mail: roman_turism@yahoo.com

idea of the EU being a single tourist destination for tourists from outside the EU.

The development of tourism can help address many of the typical development needs and weaknesses of border regions. These include the promotion of a diverse range of economic activities in border regions; the creation of new employment opportunities, an increase the number of jobs, and the development of new skills; offering a means for the conservation of the natural and cultural heritage of a region and opportunities to increase the range and quality of local amenities and services, and local infrastructure.

2. Literature review

While there has been much research on the competitiveness of tourist destinations in general, the cross-border areas have, for the most part, been neglected in these discussions.² The specifics of the border or frontier destinations make it possible to place them into an individual category of tourist destinations that deserve attention. Traditionally, frontier tourist destinations have been treated by researchers and practitioners as destinations that are deemed to have more problems and shortages, than opportunities to succeed in tourism development. Frontier regions are often blessed with few natural resources and may suffer the problems of relative or absolute inaccessibility, a small or even nomadic population. Many frontier regions are characterized by limited infrastructure such as transportation, accommodation and other services (Butler, 2002). On the other hand, sharing the border with a neighbor, a different visitor's place, can offer such destinations access to a richer variety of natural conditions, cultural or historical heritage possessed by a nearby destination. This unique opportunity is one of the main factors that lie beneath the idea of using cross-border cooperation between the border tourist destinations as an instrument for merging them into the sustainable tourism cluster with international aspirations. Subsequently, with such a perspective, a significant shift in tourism theory has occurred as well as in public minds wherein geographical borders of frontier destinations are perceived not only as barriers, but also as gates to more diversified and richer tourism offerings and improved destination performances.

In discussing and defining the cross-border cooperation, very different perspectives and *methodologies* can be chosen to study it. For example, this description illustrates the phenomenon in a positive manner: Cross-border cooperation is a form of international cooperation, along with interregional, transitional and trans-frontier cooperation, involving non-central governments and encompassing the extension of state-centric governance to subnational and supranational bodies (Perkmann, 2003; Prokkola, 2008; Koskinen, 2012).

One of the most popular methodologies among tourism researchers for measuring this phenomenon can be to study the attitudes of tourism actors (main stakeholders) regarding a frontier destination as well as the role of cross-border cooperation for tourism development in a region. This method has been successfully tested in many studies of

² <http://destination.unwto.org/content/conceptual-framework-0>

tourism in frontier destinations, focused on the attitudes of the tourism supply providers in the frontier regions with regards to cooperation and their interest in increasing competitiveness by creating joint cross-border tourism products. The study of Vodeb, 2010 was mainly aimed at small and medium tourism companies in the borderlands and tested two hypotheses: (1) competitiveness of the frontier regions can be enhanced through cross-border cooperation between the destinations, and (2) tourism actors in the frontier regions are interested in cross-border cooperation in tourism. The competitiveness of the frontier destinations was assessed based on five factors from Ritchie and Crouch's competitiveness model: appeal, management, organization, information and efficiency (Crouch et al., 2003). A factor analysis of responses in this survey identified the variables affecting cross-border cooperation. One of the main conclusions in this research was that tourism and cross-border cooperation with regard to tourists was perceived by destination stakeholders as a powerful tool to develop border regions. In another study, performed by Cankar and Seljak, the central objective was to determine what factors influence cross-border cooperation between tourism businesses in the Alps-Adriatic region (Cankar, S. et al., 2014). One of the main conclusions of this study was that personal relations, language skills and mutual interests enhanced cooperation, while administrative and legislative systems were barriers to it.

These are only two of the numerous studies that have become the platform for what can be defined today as cross-border cooperation theory. This theoretical field operates with different descriptions of how relationships between this phenomenon and tourism can be analyzed. One of the main points in this theory is that "cross-border cooperation is an interregional phenomenon that requires public facilitators, i.e. international, national, local and regional level authorities, for the practical implementation of the cooperation" (Koskinen 2012). Another important definition that came out of this field is *coopetition*; it was first introduced in 1995 as the need for cooperation among tourism destinations to better market the tourism product effectively and meet the competition at the regional or global level (Edgell et al., 2008; Vodeb, 2012).

3. Results

Cross-border cooperation is of obvious importance for the mutual strengthening of the tourism industries of neighboring countries (Grundy-Warr, Perry, 2001). The specifics of cross-border tourism cooperation need to be considered with great care and with an understanding of fundamental notions. For example, it should be clear that collaboration agreements in tourism planning entail very close contacts and communication (face-to-face) with all participants, from both the public and the private sector, and with an array of industries that take part in tourism planning. This type of collaboration can lead to effective dialogue and negotiations in building mutually acceptable interests and forwarding proposals for developing tourism in a given region.

The interdependency of the elements which together make up tourist destinations, and the balance of the effects of tourism (good or harmful) on various interest groups can best be understood from the perspective of a soft, open, system model. Every

destination has a unique mix of characteristics which are determined by its geographical location, culture and history. These together with the area's degree of dependency on tourism, and the industry's seasonal and structural characteristics, influence the experiences of both visitors and residents (Laws, 1995).

Determining a destination's competitiveness entails determining general conditions such as marketplaces, locations and companies. It is becoming clear, however, that destination competitiveness depends on the perspective of potential guests, and not on result-oriented indicators that provide only a view of the situation and offer very poor support of a destination's development. Finally, if destination appeal depends on the perspective of potential guests it becomes necessary for a destination to exhaust all opportunities possible for effectively entering the marketplace and to affect service quality by directly approaching service providers. The system theory claims that a destination's operational efficiency will be affected by change to any one of its component parts. For destination management to perform successfully, the three most important facts to consider are (Pechlaner, 1999):

- The effects on output resulting from change to inputs,
- The way in which all subsystems and processes of a destination are linked,
- The way in which subsystems and processes are controlled.

Swarbrook and Horner (2001) point out the importance of destination management, the responsibilities of which are divided among different organisations. Each of these, depending on their competencies and level of operations, contribute to achieving guest satisfaction in a destination. They include central government agencies, regional government agencies, associated public-private partnership organisations, private companies, and universities and faculties. The authors (Swarbrook et al., 2001) also stress the importance of coordinated action and management across all destination management levels, including partnerships between the public and private sectors to enhance competitive ability on the market.

Tourism development should not be left to a few politicians, civil service offices or entrepreneurs in tourism, but rather should be an issue addressed by the entire range of industries that are either directly or indirectly associated with tourism.

Destination stakeholders naturally have differing views on destination development. Although the competitive environment is subject to numerous forces and motives, customers and their needs remain the ultimate driving force behind competition and competitiveness: competitive actions derive from customer demand. The role of the public in a destination's competitive environment is a critical one. With the right communication, and interaction between the industry and these publics, a mutually supportive relationship can exist which ensures that, over the long term, a destination can develop its tourism industry in a way that benefits all stakeholders (Crouch et al., 2003).

Tourism development of a given region calls for the well-coordinated participation of all administrative levels (state, regional, local) according to their liability and competence within the tourism system. Partnerships between same-level administrative agencies are equally important, especially when natural or cultural

resources located in the cross-border regions of two or more countries are involved. These partnerships can help to prevent the exploitation or poor development of resources, as well as the economic, social and environmental imbalances that often arise on opposite sides of state borders.

Selection of concrete forms of cross-border cooperation between tourist destinations is affected and dictated by what are the needs, priorities and capabilities in frontier regions; and the knowledge about these influencing factors can be received by performing surveys and studies on stakeholder's attitudes. One of the most important prerequisites for choosing a relevant form is knowledge about what parameters are expected by the regional stakeholders to be given the highest priority among the others. According to the Practical guide to cross-border cooperation by Association of European Border Regions (AEBR, 2000) it can be quality of the environment; the type of tourism that can be developed (mass or niche); quality of the tourism products and types of visitors which can be attracted. Various forms of the cross-border cooperation also mean different degrees of involvement of state and official organizations; extent of formalization of this process; and of size of investments. Depending on what the subject for the cross-border cooperation is in each case, it can concentrate on different possible aspects, for example, competition on existing tourist segments; on new potential tourist segments; on improving existing products, or creating new tourist products.

Cross-border cooperation in tourism between frontier destinations is sometimes described as a process with several stages. It can be illustrated in the following three-step action (Seric, 2011):

- Preliminary actions aimed at developing a framework of conditions that enable effective participation in cross-border cooperation;
- Shift in destination's policy from traditional marketing towards the development-oriented goals;
- Establishing of common forms of cross-border cooperation that puts the existing destination's stakeholders together into the local level working groups or councils.

An alternate categorization of possible types of actions aimed at promoting cross-border cooperation between the tourist destinations is given in the Practical guide to cross-border cooperation by Association of European Border Regions (AEBR, 2000):

- Cross-border cooperation *on the upper strategic level* that involves higher officials and local governments to develop a joint plan and policy for how the regional tourism products can be integrated into the cross-border tourism brand. This joint work on the tourism strategy for the frontier destinations starts with preliminary actions, such as destination resources' audits; analysis of the competitive profiles of the destinations (identification of strengths, weaknesses, opportunities and threats), and finding out the main common meeting points for cooperation (priorities, opportunities and potential).
- Cross-border cooperation through *implementation of the specific projects* between frontier destinations. This form of cross-border cooperation can

cover a wide range of organizations and actors in the tourism industry, as well as different segments for cooperation such as external promotion of the cross-border destination; creating joint tourism information systems on amenities and accommodation, transport, connections; joint marketing and creation of cross-border networks of tourism suppliers; joint training in skills required by the tourism industry.

One of the possible grounds for cross-border cooperation that can be performed at the upper strategic level and through implementing specific projects is the *joint branding* of tourist products in frontier destinations. In this case, the tourism products in border regions are being marketed under the same umbrella brand and using a joint communication platform. Putting this into perspective, the main competitive advantage gained through cross-border cooperation by frontier destinations is building of a stronger interregional joint tourist brand that gains from the variety of historical, cultural and other resources in these frontier regions.

Another aspect of cross-border cooperation that is widely studied in tourism literature concerns the *factors that stimulate cross-border cooperation*. These factors have been identified and measured through several studies in surveys of the attitudes of stakeholders in border destinations (Cankar et al., 2014):

- Positive experience among the regional stakeholders with previously successful cross-border cooperation with neighbor destinations;
- Low transaction costs for the shift from traditional to joint marketing;
- Availability of funding for starting cross-border cooperation;
- Need to foster economic development in the region;
- Size of cooperation area;
- Good personal relations (contacts) between the potential partners, and their cooperation experiences;
- Common interests or problems potential partners are faced with;
- Linguistic skills that can facilitate communication across borders;
- Existence of transitional organizations;
- Availability of external experts for cross-border cooperation;
- Similar local and regional administrative structures in border destinations;
- Similar business structures;
- Linguistic and cultural similarities.

The notion of a tourism cluster is frequently used to describe the possible future forms for how destinations in different regions, including Republic of Moldova and Romania, can cooperate on tourism across borders. This notion according to Porter (1998) and other researchers refers to the geographical concentration of the companies, organizations and institutions that are linked together by working contracts.

Most tourism researchers agree that establishing an interregional (or multinational) tourism cluster that embraces a group of smaller destinations across the borders would normally result in many benefits for its members, and one of its main objectives will be building a strong interregional brand and product portfolio. The

existing strong competition between the border areas needs to be replaced with the idea that a cross-border region can jointly offer a unique product or range of products.

The *benefits* of competition between the border areas include (AEBR, 2000):

- Synergy effects of economy of scale that is, for example, cost optimization by sharing costs and risks;
- Access to larger markets and better distribution channels;
- Stronger tourism brand and marketing platform by accumulating international funds, human resources, technologies and efforts;
- Transfer of knowledge and expertise between regions;
- Creating more competitive and high-quality regional tourism products;
- Sustainable regional development in the long term.

All these potential gains explain why the elements of cross-border cooperation and clustering are internationally pursued in contemporary tourism planning policies. In particular, these instruments are useful for frontier and distant regions that are less promoted in a global world tourism context and do not favor attractive geographical and historical position, infrastructure and other objective factors.

Taking all these issues into account, cross-border tourism cooperation can result in increasing competitive advantages and overall competitiveness for the destinations involved in collaboration. But the process of clustering with respect to joint branding of existing or new tourist products is a complicated and demanding task. The cultural, geographical, economical and other differences between the parts of this cooperation process are both the resources to create a new competitive unit (and improve the destination's own performance) as well as a series of serious challenges. A practical example of such a challenge in collaborating across the borders is that it would set the requirement for each of destinations involved in this process to have the same or at least comparable standard quality for its tourist products or tourist facilities.

One of many possible overviews of these challenges or barriers to cross-border cooperation is provided by Cankar et al. (2014), which identified the following *barriers* to clustering across borders:

- Complex administrative and funding systems;
- Legislation, that is not harmonized or too different in border areas;
- Frequent changing of the rules of business;
- Unstable political situations;
- Unfavorable historical events;
- Corruption, and security problems;
- Poor infrastructure;
- Quality of the banking systems;
- Differences in culture that hinder intercultural communication;
- Language barriers;
- Barriers that are rooted in historical or political differences;
- Lack of local, regional, national government assistance;
- Lack of assistance from business associations;

- Poor purchasing power of nearby markets on the other side of the border;
- Poor quality and productivity of local firms;
- Product differentiation of local economy;
- Unfavorable geographical conditions in border regions.

Another classification of the typical barriers to improving competitiveness of a frontier destination through cross-border cooperation can be found in Practical guide to cross-border cooperation by Association of European Border Regions (AEBR, 2000):

- Gaps in knowledge and information about how a tourist destination can become the cross-border platform for creating and offering tourism products;
- Misunderstanding, lack of communication and conflicts between the stakeholders across borders as well as the conflict of tourism as an industry with other activities;
- Shortage in cross-border expertise, existing networks and experience in collaborating on tourism between stakeholders across the borders;
- Gaps in accessibility, transport and economic infrastructure that is required by tourism;
- Not enough expertise and knowledge that are required to supply quality products and services in tourism across borders;
- Insufficient knowledge of markets, tourism products and knowledge of how to market and communicate destination to target markets;
- The fear that there exists a serious threat of competition from the neighboring destination, which means that cooperation, will result in worsening current conditions.

Cross-border regions often share the same historical and cultural traditions and attractive natural landscapes, such is the case of the Republic of Moldova and Romania. In both cases, cross-border regions can benefit from cooperation – cooperation can help create greater diversity and differentiation of the range of tourism and environmental products; create economies of scale and make promotion more effective, and can help better address specific problems or issues for tourism development – such as finding solutions to the problem of seasonality, improving sustainability of employment in tourism in the cross- border region, and increasing tourism opportunities outside the traditional periods as the range of products increase.

Main types of *action* in border regions to promote tourism development relate to the following:

- Cooperation at the strategic level to jointly plan the development of the tourism products and services offered by the region, markets and marketing and the integration of cross-border tourism development into other aspects of policy – particularly, transport infrastructure and services, environment, and human resources development. Joint work on strategies' development begins from co- operation on a range of preparatory actions including audits of tourism resources (natural attractions, infrastructure, services), identification of strengths, weaknesses, opportunities and threats (SWOT), scoping, sectoral studies, and market studies etc. and identification of common priorities and

objectives (e.g. addressing seasonality aspects) and opportunities for cooperation in action;

- Cooperation in specific project and action areas involving the wide range of institutions and operators in the tourism sector – including regional tourism promotion agencies, local authorities, tourism operators, transport companies, businesses and local communities. The range of actions undertaken at this level include: cooperation in external promotion of the cross-border destination (e.g. by the regional tourism organizations), developing networks of cycleways, walkways, routes, sign-posting, mapping of tourism routes and places of interests; creating joint tourism information systems on amenities, accommodation, transport connections etc.; joint development, designation and management of common resources such as national parks, beaches, coastlines, lakes etc.; joint marketing and creation of cross-border networks of tourism providers (accommodation, services); joint training in skills required by the tourism industry including foreign language skills; and business support services for tourism businesses.

4. Conclusion

Tourism can act as a catalyst for structural adjustment and development of cross-border regions and can contribute to development across a variety of fields including labor market (new skills and alternative employment), infrastructure and facilities (roads, transport, accommodation and leisure facilities) and investment and new business location.

Cross-border tourism development strategies must be based on the concept of sustainable development and awareness of potential weaknesses associated with the negative effects of tourism (on the environment, agriculture, local communities, etc.). Environmental aspects must be integrated into the decision-making and management of tourism projects.

Successful tourism development in the cross-border regions requires cooperation at strategic level (planning products, markets, etc.) and at the level of practical action/projects involving a wide range of interests (public, private, community).

The existing strong competition between the border areas needs to be replaced with the idea that a cross-border region can jointly offer a unique product or range of products.

Successful cross-border tourism development strategies relate to creating a diversity of products and services to attract and retain tourists in the first instance and for longer periods.

References

- AEBR (2000), Practical guide to cross-border cooperation. Third edition. Association of European Border Regions (AEBR). P.79-101.
- Butler, W. R. (2002). The Development of Tourism in Frontier Regions: Issues and Approaches. In S. Krakover, & Y. Gradus (Eds.), *Tourism in Frontier Areas* (pp. 3–20). Lanham, Lexington Books.
- Cankar, S., Seljak, J. (2014) Factors that influence cross-border cooperation between businesses in the Alps-Adriatic region. *Economic Research*, 27:1, p.304-3019. Routledge.
- Crouch, G. & Ritchie, J. (2003). *The competitive destination – a sustainable tourism perspective*. CABI Publishing, UK.
- Edgell, D.L., Del Mastro, M.A., Smith, G., and Swanson, J.R. (2008). *Tourism Policy and Planning: Yesterday, Today and Tomorrow*. Oxford: Elsevier Butterworth Heinemann.
- Grundy-Warr, C., & Perry, M. (2001). *Tourism in a Inter-state Borderland: The case of the Indonesian – Singapore Cooperation*, *Interconnected worlds: Tourism in Southeast Asia*, Peggy Teo, & T.C. Chang, & K.C. Ho (Eds.) Pergamon, (Advances in tourism research and services), Oxford, UK: Elsevier Science.
- Koskinen, M. (2012) *Cross-border cooperation in Barents Tourism: insights from Finnish Lapland* (commissioned by BART – Public-Private Partnership in Barents Tourism).
- Laws, E. (1995). *Tourism Destination Management Issues, Analysis and Policies*, London: Routledge.
- Pechlaner, H. (1999). The Competitiveness of Alpine Destinations between Market Pressure and Problems of Adaption, *Tourism*, Vol. 47, No. 4, pp. 332-344.
- Perkmann, M. (2003). *Cross-Border Regions in Europe, Significance and Drivers of Regional Cross-Border Co-operation*. *European Urban and Regional Studies*, 10:2, 153–171. SAGE Publications.
- Prokkola, E.-K. (2008) *Resources and Barriers in Tourism Development: Cross-border Cooperation, Regionalization and Destination Building at the Finnish-Swedish Border*. *Fennia*, 186:1, 31–46. Helsinki.
- Porter, M. E. (1998). Clusters and the new economics of competition. *Harvard Business Review*, 76(6), 77-90.
- Seric, N. (2011) Brand management in the practice of cross-border tourist destinations. *Academica Turistica*, Year 4, No.2, December 2011, p. 89-99.
- Swarbrook, J., & Horner, S., (2001). *Business Travel and Tourism*, Oxford, UK: Butterworth – Heinemann.
- Vodeb, K. (2010) Cross-border regions as potential tourist destinations along the Slovene Croatian frontier. *Tourism and Hospitality Management*, Vol.16, No.2, p.219-228.
- Vodeb, K. (2012) Competitiveness of frontier regions and tourism destination management. *Managing global transitions*. Volume 10. Number 1. Spring 2012. P.51-68.