HISTORY OF CROATIAN TOURIST ORGANIZATION
AND DEVELOPMENT OF CROATIAN TOURISM

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ABSTRACT Croatian National Tourist Organization was founded in 1868, on the island Hvar when the “Hygienic Association Hvar” was established. On those bases, other related tourist association were founded in places like Mali Lošinj (1885), Zadar (1892), Plitvička jezera (1893) and Rab (1895). Tourist associations in Croatia begin to connect into regional alliances the same time as in other European countries. The examples of this process are regional alliances in Split and Dubrovnik that were founded in 1922. The strongest development of Croatian tourism begins with the establishment of Croatian National Tourist Organization in 1953 and lower organizational units of places, municipalities and towns. With the analysis of historical periods, the present work aims to determine the development of tourism organizations and its impact on the development of Croatian tourism.

The basic hypothesis of the research in this paper starts from the basics that the development of the Croatian tourist organization developed from lower-level units of tourism to the highest national level. This had a positive impact on the development of Croatian tourism.

Based on historical analysis of the development of tourist organization, a model of development of Croatian Tourist Organization is proposed, as one of the basics and the initiator of future development of Croatian tourism.

Introduction

In the century and a half, Croatian tourism development had a steady flow. The Development of Croatian tourism was affected by political and economic circumstances. These circumstances, were accompanied by the development of national tourism organizations, as well as its impact on the development of Croatian tourism.
Development of the national tourism organization is cause and consequence of the development of tourism, which is particularly intensified on the Croatian territory in the second half of the sixth decade until the eighth decade of the twentieth century. During this period, the national tourism organization has more than 450 organizational units at the local and regional level in Croatia. During this period, 94,000 units in hotels and 284,000 units in complementary accommodation facilities were built in Croatian tourism.

The special period is the beginning of the twenty-first century. During that time, 319 organizational units, national tourism organizations at the local and regional level are operating in Croatia, with the main organization of Croatian National Tourist Board.

On this basis, in 2011, 11.5 million tourists visited Croatia, realizing 60.4 million nights and a high level of tourism development.

This paper aims to determine the development of social tourism organizations and its impact on the development of Croatian tourism by analysing historical periods.

The basic hypothesis of this paper assumes that the Croatian national tourism organization was developing from lower unit level tourist resort, up to the highest national level, which is a positive influence on the development of Croatian tourism.

The second hypothesis starts with assertion that Croatian National Tourism Organisation with its activities in the international tourism market has positive influence on the growth of foreign tourist traffic, development of tourism offer, and on the affirmation of Croatia as a “new” tourist destination.

Based on the historical analysis of the development of social tourism organizations, a model of social development organization of Croatian tourism is proposed, as one of the base and initiator of the future development of Croatian tourism.

**The definition of National Tourist Organization**

The definition of the national tourism organization starts from the fact that it is an organization in the public interest for the systematic development and improvement of tourism on the local, regional and national levels. National tourism organization represents all tourist potentials to domestic and international public, and towards this, gathers and organizes citizens, economic and non-economic subjects.

The fundamental role of national tourism organizations is to provide central government and advisory policy in relation to tourism (Jafari, 2002: 408).

“The National Tourism Organization is an autonomous government body, or sometimes semi-state body which has no official character, established or recognized by the state as a governing body, authorized at the national level for the promotion, and in some cases, for the marketing of international tourism” (WTO, 1996: 126).

The National Tourism Organization is an institution at the national level in the form of governmental or semi-governmental organizations for the commercialization of tourism destinations (Kotler et al. 1999: 668).

The National Tourism Organisation is responsible for the following functions: (Kotler et al., 1999: 668–669):

1. **Collecting and synthesizing data** on tourist traffic throughout the state level. National Tourism Organization collects information on the number of visitors – tourists, the length of their stay in tourist destinations are the type of accommodation that tourists use, consumption of tourist products and other sectors of tourists.

2. **Representation in markets** through its offices and offices abroad, presents tourism, but also presents the entire national community – the country abroad.
3. **Organization of workshops and trade shows** – national tourist organization in one place connects producers of tourism products and representatives of travel agencies and tour operators that their distribution channels to penetrate potential customers-tourists.

Throughout the exhibition space, promotional materials and appearance at the fair, potential tourists gain a comprehensive understanding and perception of one tourist destination and country.

4. **Familiarization trips** – for representatives of travel agencies, tour operators, travel journalists and writers. During the familiarization trip across the country, travel journalists and writers are acquainted with not only the tourist offer but also the entire social and cultural environment and the characteristics of the country. Their impressions are inserted in news articles, books, TV and radio shows, Internet blogs, and in this way they perform the promotion of the overall tourist destinations. By organizing a familiarization trip, tourist destinations and tourism products as well as the whole country is acquainted in its complexity. Through the media, it is presented to the international public.

5. **Participation in joint marketing schemes and marketing program** – every part of the national community and the subject of tourist destinations can be presented in the most appropriate way to to the public and the tourism market.

6. **Support for entrepreneurial ventures in tourism** – the National Tourism Organisation throughout incentives creates a positive situation for business and development in tourism nationwide.

7. **Consumer assistance and protection** – tourist – with information system and information, national tourism organization helps consumers- tourists, to obtain relevant information about the tourist product. Information helps tourists to create a more complete picture of the tourist destination they intend to visit. Creating a code on the reliability of his information, the National Tourism Organizations creates general criteria that each tourist information at the state level should include, towards better informing, and better protection of tourists.

8. **General education of its membership, but also of the population** at tourist destinations and the country as a whole, refers to a better understanding of culture, tradition, economy and general living conditions in the countries from which tourists usually come. Education of its members and the population at tourist destinations helps creating awareness of the close connection between tourism and the general state-level tourist destination and country. The main role of National Tourism Organizations is to ensure a country the maximum of economic and social benefits that can be generated from tourism (Gee et al., 1997). The task of the National Tourism Organizations is to optimize revenue from tourism and to increase the proportion of revenue from spending of foreign tourists as measured by increasing the share of regional and extending the tourist season. (Seaton and Bennett, 1996: 353)

Based on the above, there are four basic functions of a national tourism organization (Seaton and Benett, 1996: 357): a) Identify the market structure and tourists; b) establish communications with the tourist market; c) increase the number of tourist arrivals; d) improve the image of the destination. According to UNWTO study, the main objectives of the national tourism organizations are (WTO, 2003: 13–14): a) increase in foreign tourist arrivals; b) higher expenditures of the tourists; c) reduction of seasonality, extend the tourist season; d) “introduction” of the tourism in the places that were not touristic; e) improve the image destination; f) environmental protection measures.

National Tourism Organization is the part of a system that at the national level, has the aim to combine local and regional tourism organizations because of the expansion of tourist culture and creation of general conditions for the admission and the stay of tourists. National tourism organizations through the promotion of tourism, promotes
the entire national community and its characteristics in the international market as well as in the whole social and political environment.

**History of Croatian National Tourist Organization**

Tourist Organization on Croatian territory has a rich and long tradition. The first written document about the creation of institutions at the Croatian territory refers to the establishment of “Hygienic Society” in Hvar in 1868. The Rules of Procedure of Hygienic Society of Hvar is stated: “The purpose of the society is to serve foreign guests with funds, which they need, to recover their health, capitalizing on the healthy climate of Hvar, especially, to raise profits for the appropriate purchasing and decorating respective properties on behalf of the compan” (Antunac, 1968: 21).

In 1899, “Mountain and tourist company Liburnija” was founded in Zadar. According to its rules it was operating in the entire territory of Dalmatia. That same year, “Climatic society” was founded in Dubrovnik, which soon changed its name to “The Society for the Embellishment of Dubrovnik”.

The first union of tourism companies was established in 1914 as the “Association of Croatian beaches on the Adriatic” and it included all existing companies in the Croatian coast. The tasks and objectives of the Alliance are mainly overlap with the tasks and goals of companies in the tourist areas. The organization at that time was the sole holder of tourism policy, because the state and local governments did not specifically care for tourism and its development. In 1912, in Zagreb was founded “The Society for the traffic of foreigners” and “The Society for the embellishment of Plitvice lakes”.

After World War II, in 1919 the travel companies in the area of the Croatian coast restarted their work. In 1924, “The Union of the Upper Adriatic beaches” was established, which soon changed its name to “Alliance for the promotion of tourism in the Upper Adriatic”. Eleven years later, in 1935, the institution changed its name to “Tourist Association for Croatian Coast and Gorski Kotar”. In relation to the experience of the Croatian coast, in 1923 tourism alliances were established in Split and Dubrovnik for the Central and Southern Dalmatia.

While developing its activities, tourism workers were coming in contact with each other, meeting, discussing and exchanging experiences.

From this form of cooperation originated the idea and realization, and in the 1936 the three aforementioned alliance formed a joint “Working Committee for the Promotion of Tourism in the Adriatic”. For fifteen years, tourism associations and alliances were the only idea makers and holders of general tourism policy and its active doers in the general plan.

Until 1952 there was no orientation to the development of foreign tourism, which slowed down the activity in the work of tourism companies. However, that same year appeared foreign tourism which is why in June 1952 was founded the Association of tourism companies in Istria, Croatian Coast and Gorski Kotar. In January 1953, the Tourist Association of Dubrovnik area, and in February of the same year, the Union tourism companies in Northern Dalmatia and Tourist Association for Central Dalmatia were established. At the same time, an umbrella organization and the Croatian Tourist Board was established (Antunac, 1968: 51).

During the sixties of the twentieth century, a well-organized and well established tourism organization in the territory (travel companies and tourism associations), contributed significantly to the expansion of tourism almost throughout whole, especially in the coastal Croatian territory. Its full valuation, tourism Organization achieved
through the Croatian National Tourist Office, which was in large part united and it coordinated the activities of institutions at all levels.

Along with the tourist unions of the republics, at the state level worked a roof Tourism Organisation – Tourism Association of Yugoslavia. This organization was less associated with the tourism organization in the field (this relationship is maintained through republic tourism federations), and was more focused on solving specific tasks of interest to the whole country, which would otherwise belong to the powers of the state government or similar institution.

Despite the continuity of ideas and social goals of institutions at lower levels, particularly at the level of the Croatian, the national tourism organization in the seventh, and especially in the eighth decade of the twentieth century was under some influence and limit of so-called socio-political organizations, and local political and economic relations.

All of the changes that National Tourism Organization in the Croatian level experienced, until the democratic changes, were more formal than substantive.

In this political and economic environment, the democratic changes were welcomed. This and Patriotic War (Domovinski Rat), determined an organization in a special way, its function and role of national tourism organizations in the tourism system and tourism policy in the independent and sovereign Republic of Croatia.

Work on the draft of the legal framework of the Croatian national tourist organization has already started in 1990, and its defined shape, has assumed in 1991 when the Croatian Parliament adopted the Law on Tourism communities and the promotion of Croatian tourism and Tourist Tax.

Tourist Board is defined as an interest group for all subjects – individuals and corporations – the sectors that deal with tourism and hospitality activities or are directly linked to them.

Tourist Board is a legal entity established for the territory: a) of municipality or city as the Tourist Board of the municipality or the city; b) of the county, as a county tourist board; c) of the Republic of Croatia, as Croatian National Tourist Board.

In 2003, in Croatia, along with the national tourism board, operated 21 county tourist board, 113 tourist boards of the cities, 143 tourist boards of the towns and 28 tourist boards of the villages (www.htz.hr, 2003).

The common goals of the tourist offices are: a) improvement of the general conditions of stay of tourists; b) the promotion of tourism product areas; c) to develop the awareness of the importance of economic, social and other effects of tourism.

Special importance of tourism community is reflected in the fact that the effect of tourist boards is based on the principles of general usefulness, and without realizing profit.

Croatian National Tourist Organization has the task to create and to promote the reputation and identity of Croatian tourism, and to plan, create and develop the Croatian tourist product. Also, the Croatian National Tourist Organization has a mission and purpose to plan, create and implement a strategy for Croatian tourism development at the local, regional and national level and to implement the promotional actions that are of common interest to all operators in the tourism industry in the domestic and international tourism market.

**Croatian National Tourist Organization and the development of Croatian Tourism**

Croatian Tourism and thereby Croatian national tourist organization, in the previous period contributed greatly in recognition of Croatia and in positioning it in the international tourism market.
Any development, including tourism development, always brings some changes. One can say that tourism development in itself includes growth and change. The development of tourism in its beginning has the same aspiration for increasing human quality of life, and the aspiration to overcome poverty as in all other areas of human life and creation. The system of National Tourism Organization with its organizational structure at local, regional and national level is involved in direct addressing of problems of tourism development in the area of its operation. National tourism organization with its activities, is the promoter and implementer of tourism development at all levels.

If we start from the analogy of the terms “economic growth” and “economic development”, it is clear that we can discern that the growth considers increase of the phenomenon of tourism (expressed in the number of tourists, overnight stays, the size of the realized foreign exchange inflows, the level of consumption, etc.) in a given period, and the term development considers structural and functional changes in the phenomenon of tourism associated with physical growth (trade).

The aim of tourism development is always subordinated to the main development goal, in most cases, the country. This means that it is difficult to imagine that such a goal or goals for tourism development would be in contradiction with the general development objectives of the country as a whole. The National Tourism Organization is the part of the national tourism system, so its activities are subordinated to the goals of tourism development at the local, regional and country level in general.

The direct relationship and impact of Croatian national tourist organization on growth and development of Croatian tourism can be linked with the increased number of organizational units of the national tourism organization at all levels and with the increase in accommodation facilities, increasing the number of tourist visits and overnight stays, in the last fifty years the most intensive development of Croatian tourism.

After the establishment in 1953, the National Tourism Organization of Croatian (Croatian Tourist Board), in the next two decades of its activities, was well organized and well established tourism organization on the ground of travel companies and tourism associations. Therefore, the National Tourism Organization has significantly contributed to the expansion of the tourism development throughout whole country, especially in the coastal Croatia. Its complete valorization, tourism organization achieved through Croatian National Tourist Organization, which was in most parts united and coordinated activities of institutions at all levels. As a result of these activities on the Croatian territory in 1953 there were 1.1 million tourist visits and 5.1 million overnight stays, while twelve years later, in 1965 there were 3.0 million tourist arrivals and 18.1 million overnight stays. (Cicvarić, 1990: 57–58).

In the second half of the sixth and early seventh decade of the twentieth century, the Croatian tourism in its development is experiencing the “golden age”. In that time it was built 94,840 beds in basic accommodation and even 284,000 beds in complementary capacities (Pirjevec, 2002: 52). This was reflected in the tourist traffic in 1975 year when it achieved a total of 6.5 million tourist visits and 42.2, million overnight stays (Cicvarić, 1990: 58).

One of the factors of the exceptional growth in tourist traffic and in the development of Croatian tourism is organizing of the National Tourism Organization. In 1976, there were 452 social tourism organizations (tourist companies and tourist Union) in Croatia (Jadrešić, 2001: 165).

The mutual influence of operation of the level of organization of the national tourism organization and tourism development show the fact that in Croatia, in 1986, there were 338 tourist companies, 40 tourist associations of municipalities, 5 regional tourism association and 27 sections for tourism (Cicvarić, 1990: 35). It is certain that it was the result of the organizational structure and number of units of national tourism organizations. Consequently, there was a record of 10.5 million tourist visits and even 68.2 million overnight stays in Croatia (Cicvarić, 1990: 58).
In the seventh and eighth decade of the twentieth century, the role of Croatian tourism in the tourism industry of Yugoslavia was extremely important. Approximately 75 per cent of total foreign tourist arrivals and overnight stays in Yugoslavia, were made on Croatia territory. Croatian territory was often visited by tourists from European socialist countries, but it was also a common destination for tourist from Western Europe. This fact was accepted by the Croatian National Tourist Organization. Croatian National Tourist Organization was organizing special promotional activities on the tourist generating markets of socialist countries. This resulted with a permanent increase of number of visits and overnight stays of tourists from these countries on Croatian territory.

At the end of the twentieth century, with the establishment of the Republic of Croatia, occurs as well, the establishment of the National Tourist Organization of Croatia. This is indicated by the fact that on the Croatian territory in 2003, except for the Croatian Tourist Board, there were operating 21 other county tourist board, 113 city tourist boards, 143 town tourist board and 28 community tourist board. (www.htz.hr, 2003). This has contributed to the full affirmation of Croatian tourism in the international tourism market, which shows data from 2005, when on Croatian territory there were 9.9 million visits and 51.4 million overnight stays with total revenue in the amount of 6.0 billion euros (www.mint.hr).

In 2011, on the Croatian territory, a total of 935,000 beds were registered, of which 128,000 beds in hotels, 231,000 in camps, and 452,000 beds in homes and vacation houses. In these accommodation capacities of Croatian tourism in 2011 there were 11.5 million tourist arrivals and 60.4 million overnight stays recorded.

At the beginning of the twenty-first century, the National Tourism Organization has been specifically involved in the process of sustainable development of tourism. This has been accomplished through the efforts of local tourist organizations such as arrangement of tourist sites, waste management, arrangement of beaches and Blue Flags. Specific activities of National Tourism Organisation are focused on informing of local population about the importance of sustainable development of tourism destination.

Above mentioned results in construction of accommodation facilities and achieved number of tourist visits and overnight stays in Croatia, were contributed also because of good organization of the National Tourism Organization, which consisted of 22 tourist boards of villages, 146 tourist boards of municipalities, 128 tourism board of cities, 1 island tourist board, 21 county tourist board, Zagreb Tourist Board and the umbrella-national organization of Croatian National Tourist Board (www.htz.hr, 2012).

Since July 2013th Croatia is a full EU member. Until becoming a full EU member, Croatian National Tourism Organisation was already an active member of the European Travel Comisión. Croatian membership in the EU sets certain obligations for Croatian NTO regarding the promotion of Croatian tourism in the framework of the European tourism market. This makes obligation for Croatian NTO to engage more intensively in joint promotion of European tourism in third markets.

The above mentioned facts clearly indicate that the national tourism organization has some influence on the development of Croatian tourism. Therefore, additional actions are necessary to improve the existing system of national tourism organizations for further contribution to the development of Croatian tourism.

One of the possible form of improvement of the existing system of national tourism organization is that its parts at local and regional levels transform into DMO (destination management organization). On these bases, the national tourism organization at the local and regional level, with the help of local authorities, public and private sector, would create an organized system that would create new tourism products and offer a tourism destination and respond to the challenges of fierce competition in the global tourism market.
Conclusions

National tourism organizations played a significant role in development of Croatian tourism. The historical development of the National Tourism Organization of Croatia was followed by an increase in tourist traffic, accommodations and overall development of tourism. Tourism development strongly influenced on the social and economic development, in particular, in the area where it works as the part of the National Tourism Organization.

Confirmation of the first hypothesis starts from fact that the system of National Tourism Organization, which starts from the tourist sites as the lowest-level tourist destination, with its activities on improvement of tourism offer and direct involvement of local population in destination development significantly influenced on continuous growth of tourist traffic in Croatia. This gave boost to the system of Croatian National Tourism Organization for promotional activities in the new tourist generating markets, which have resulted with higher increase of number of tourist arrivals and new development projects for improvement of tourism offer in entire Croatia.

The confirmation of the second hypothesis starts with the fact that the system of National Tourism Organization of Croatia had a special role in development of Croatian tourism in the 21st century. Croatian National Tourist Organization, with its activities in the international market, affirmed Croatia as a “new” tourist destination which has a positive effect in growth of foreign tourist traffic, development of new facilities and development of tourism offer on the principles of sustainable development.

However, the tourism needs of the new generation of tourists and demand trends in the international tourist market, set new demands on the national tourism organization of Croatian tourism. These requirements are aimed at establishing a new system of organization of National Tourism Organizations that would no longer have the need for interconnection at local and regional level of tourism organizations with the local government, public and private sector in order to create new tourism products and tourism offer that would be competitive in the global tourism market.

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