

Private Sector Development in Southwest Serbia – Tourism

Objective: increased growth and productivity gains in the tourism sector accomplished through:

Policy reform of school winter holiday calendar that created 636 jobs and 5.5 Mio CHF incomes from extended winter seasons and additional overnights and spending from domestic tourist

Innovations in product development and market players collaboration for better tourism signs posting that created jobs and nearly 3 Mio CHF incomes from transit tourists – transit tourism as a reborn tourism product

Redesign of local tourism organisations business model to cooperate and co-invest with private sector into innovative and proactive promotion at foreign markets that doubled foreign tourists from targeted markets and created additional incomes

Training of unemployed people to meet the needs of labour market – accredited private sector responsive on-the-job trainings to improve skills and competencies of unemployed to find jobs and earn incomes (326 employed who earned 2.6 Mio CHF cumulatively in last three years)

<i>Results 2013-2017</i>	Jobs	Incomes
<i>Female</i>	629	3,766,718
<i>Male</i>	479	2,967,327
<i>SMEs</i>	Na.	6,561,179
<i>Total</i>	1,108	13,295,224

Lessons learned

- When the systemic change is based on regulatory reform, it requires constant monitoring of business environment around decision makers and of their behaviour to assure sustainability of change. It needs to engage different tools to put a public pressure (using media, lobbying, advocating) on decision makers in order to convince them to adopt the change.
- Systemic change will be apparent only when partners have embedded the business model. Such a change is change in business behaviour that depends on the commitment and understanding of partner organisation. Such a case was proven by redesigning local tourism organisations business model. The main challenge is to overcome organisational weaknesses partners attitude.
- In relation with the above, when choosing partners, it is needed to pay attention to their scale in relation to intervention strategy and project needs. Small scale partners have more commitment and fewer resources while large scale partner are vice versa.
- The only sustainability lies in the business model in which all market players are involved on commercial basis. The sustainability is assured when market player sees itself as a missing puzzle, whose interest is to be a part of business transactions.

General recommendation:

- * High quality and thorough research is important to be in place before investing in intervention as it allows project to avoid mistakes and make interventions highly efficient.
- * Project must capture evidence of behaviour change as part of the measurement plan in order to confirm commitment to the business model.
- * It is needed to decide which partner is more appropriate to intervention strategy and to make balance and alignment between the needs of public and private sector. It often seems that public and private sector have opposite interests. With appropriate approach to the intervention design it may become clear that the matching of their interests is a key for project success (the interest of public sector to increase employment is not opposed to the interest of private sector to maximise profit from the project perspective)

Tourism specific recommendation:

- * If the project involves product development it should be remembered that a thorough analysis of market system/value chain is prior activity and 'must-to-do' rather than to assume market player attitudes and the identification of the tourist's own values
- * At present time, It is essential that tourist product or tourist destination has its visual identity and developed system of communication with consumers so it may become commercialized and capable to create jobs and incomes. The project should develop and implement the strategy of commercialization and product/destination management for the product to be sustainable upon project exit.
- * Promotion instruments should be prepared depending on the preferences of target groups and the nature of product. Standard leaflets, brochures or maps may not be enough. The use of modern technology (social networks, mobiles, GPS etc.) is definitely recommended.