From a town to an attraction: 
the transformation of Ohrid, North Macedonia

De una ciudad a una atracción:
la transformación de Ohrid, Macedonia del Norte

Biljana Petrevska
biljana.petrevska@ugd.edu.mk
Faculty of Tourism and Business Logistics
Goce Delcev University (North Macedonia)

Noga Collins-Kreiner
nogack@geo.haifa.ac.il
Department of Geography and Environmental Studies
University of Haifa (Israel)

Abstract

This article assesses the different forces involved in shaping the city of Ohrid (North Macedonia) and demonstrates the manner in which the city has been transformed by tourism development. As a post-socialist city, the development of Ohrid has unique characters in terms of landscape, economic dynamics, and functional dimensions. The study’s aim is also achieved by analyzing the validity and applicability of the Tourism Area Life Cycle (TALC) model with regard to the evolution of tourism development in Ohrid, specifically, and in other cities in general. The article emphasizes the connection between the city’s urban context and tourism development. The findings also indicate that Ohrid is currently in its Development stage and that its life cycle curve exhibits a double cycle sequence, meaning that Ohrid is attracting many visitors and has reached a state of
tourism maturity. The article emphasizes the connection between the city’s urban context and tourism development. From a practical perspective, the study reveals a lack of urban planning and uncontrolled tourism development.

**Key words:** urban tourism; cities; tourism development; tourism area life cycle; Ohrid.

**Resumen**

Este artículo evalúa las diferentes fuerzas involucradas en la formación de la ciudad de Ohrid (Macedonia del Norte) y demuestra la forma en que la ciudad se ha transformado por el desarrollo turístico. Como una ciudad post-socialista, el desarrollo de Ohrid tiene características únicas en términos de paisaje, dinámicas económicas y dimensiones funcionales. El objetivo del estudio se ha conseguido mediante un análisis de la validez y aplicación del modelo de ciclo de vida del destino turístico (CVDT) con respecto a la evolución del desarrollo turístico específicamente en Ohrid y en otras ciudades en general. El artículo destaca la conexión entre el contexto urbano de la ciudad y el desarrollo turístico. Los hallazgos indican que Ohrid actualmente está en su fase de desarrollo y que su curva de ciclo de vida muestra una secuencia de doble ciclo, lo que significa que Ohrid está atrayendo a muchos visitantes, alcanzando la etapa de madurez turística. Desde una perspectiva práctica, el estudio revela una falta de planificación urbana y desarrollo turístico descontrolado.

**Palabras clave:** turismo urbano; ciudades; desarrollo turístico; ciclo de vida del destino turístico; Ohrid.

**1 Introduction**

Today, cities around the world are designing and adopting strategies, methods, and tools aimed at attracting tourists and achieving a competitive position in the global tourism arena. Tourism, however, is influenced by a large number of social, institutional, economic, political, and environmental factors, which makes it extremely diversified in character (Ben-Dahilia et al., 2013).

As the best known tourist destination in North Macedonia, the city of Ohrid is a suitable site for investigating the urban transformation caused by tourism. Owing to the uniqueness of Lake Ohrid and the historical architecture of the city of Ohrid itself, both have been designated as UNESCO World Heritage Sites, accounting for one-third of all tourist arrivals and overnight stays recorded in the country. As a historical city first referred to in 353 B.C. and being one of the oldest human settlements in Europe, Ohrid attracts a large number of tourists that often reaches the potential

During post-socialist transformation, some cities have experienced less market-led gentrification and displacement than others (Brade et al., 2009; Wiest, 2012; Smith et al., 2018). Therefore, as a post-socialist city, the development of Ohrid has unique characters. The present article attempts to explore the manner in which the city of Ohrid has been profoundly transformed by tourism development in terms of landscape, economic dynamics, and functional dimensions. The study also emphasizes the connection between the city’s urban context and tourism development.

As for the organization of the article, it is divided into several sections. It begins with a literature review on urban tourism and the city’s transformation, along with a short brief overview on the tourism area life cycle. Then, it turns to a background material on the case study by emphasizing both urban transformation and tourism development to Ohrid. This is followed by a presentation of the research methodology. The main focus is on findings addressing the urban transformation, followed by a section on Ohrid’s urban change according to the tourism life cycle. The final section considers the conclusion and limitations, and presents what Ohrid may be faced with if it continues with full saturation of visitors or cannot achieve sustainability in its tourism development.

2 Literature review

2.1 Urban tourism and city transformation

Urban tourism has been extensively explored, and the literature on the subject continues to expand (Bellini & Pasquinelli, 2016; Cohen-Hattab & Shoval, 2015; Hoffman et al., 2003; Judd, 2003; Law, 1993; Maitland & Newman, 2009; Page, 1995; Shoval, 2018; Spirou, 2011). During the 1980s the demand for urban tourist destinations began to increase rapidly (Law, 1996; Fainstein & Judd, 1999) and cities became tourist destinations to be explored, as distinct from rural or coastal tourism. As a result, governments and municipalities came to realize the economic potential of the tourism sector and began allocating funds for tourism-related projects. By the end of the 1990s, tourism strategies of urban renewal and economic development had become popular in many cities around the world (Ben-Dahlia et al., 2013; Law, 1996; Judd, 1999; Russo & Van Der Borg, 2002).

Today, urban tourism makes a significant contribution to the economic basis of cities and has an impact on both local human activity and city shape (Shoval, 2018). The recovery of city centers
during the 1980s made cities more attractive to tourists. As opposed to other forms of tourism (such as sports tourism or resort tourism), tourist activity in the city is not the sole or even the main component of its economic basis (Inskeep, 1991; Fainstein & Judd, 1999; Edwards et al., 2008). Hotels, tourist facilities, and tourist services are an integral part of the city’s activity, as they serve both residents and visitors. Tourist facilities and functions (such as museums, galleries, theatres, and sports and business facilities) are designated for residents, although their large scale also makes them attractive to tourists as well (Ballantyne, et al., 2014; Edwards et al., 2008). In addition, cities’ large populations usually attract large numbers of tourists and visitors, as opposed to small towns (Law, 1996).

A common observation in post-socialist countries is that residential districts are often slowly transformed into entertainment areas (Ashworth & Tunbridge, 2000; Eldridge, 2010; Judd & Fainstein, 1999; Smith et al., 2018; Roberts, 2009; Roberts et al., 2006). Moreover, depending on the inflow of foreign capital, the extent of state subsidies as well as the government regulations adopted, the spatial fragmentation of inner-city areas in Central and Eastern European countries often leads to sharp polarization (Berki, 2014; Benedek & Moldovan, 2015; Marcinczak & Sagan, 2011). This article will analyze the connection between the city’s urban context and tourism development in Ohrid.

2.2 Tourism Area Life Cycle (TALC)

The literature contains a large corpus of work pertaining to the Tourism Area Life Cycle model (TALC), which was first advanced by Butler (1980). TALC, regarded as the classic model for explaining the evolution of tourism, breaks the process down into the phases of Exploration, Involvement, Development, Consolidation, and Stagnation, followed by either Decline or Rejuvenation, resulting in a logistic S-curve. The model presumes that periods of tourism development are followed by heightened involvement on the part of local communities and increased impact on the environment and the economy. Indeed, it is fully applicable to already established destinations with long life spans (Butler, 2009) and is often viewed as an ideal model of evolution (Weaver, 2006).

Despite criticism (Choy, 1992; Zhong et al., 2008; Foster & Murphy, 1991; Haywood, 1986) it has sustained over the years, TALC continues to provide a useful framework and starting point for various analyses, and a cornerstone for investigating tourism development, as reflected in its many adaptations (Argarwal, 2002, 2006; Knowles & Curtis, 1999; Lagiewski, 2006; Zhang & Xiao, 2014). For this reason, most researchers agree that the TALC model has played a supportive and
facilitative role in tourism planning and management (Berry, 2001, 2011; Butler, 2000 & 2012; Candela & Figini, 2012; De Camillis et al., 2010; Getz, 1992; Hovinen, 2002). This tool is used in this paper in order to assess the evolving character of tourism areas and assists in explaining and addressing cycles of urban changes by tourism.

3 The case study: Tourism to Ohrid, North Macedonia

Despite being earmarked as one of the national strategic priorities of North Macedonia (Government of the Republic of Macedonia, 2016), tourism’s contribution to national economic development remains modest. According to Petrevska & Collins-Kreiner (2017), North Macedonia is currently in the Development stage of the Tourism Area Life Cycle and has reached a state of tourism maturity. These authors also hold that although the tourism market area is well defined, parts of it are still not sufficiently formed. The latest National Tourism Strategy (2016–2021) forecasts significant improvement, with a focus on urban, cultural, and lake tourism.

In 2017, travel and tourism’s direct contribution to North Macedonia’s gross domestic product (GDP) stood at 1.8%, and its total contribution was 6.6%. At the same time, travel and tourism provided indirect support for 44,500 jobs and accounted for 2.4% of total investment (WTTC, 2018: 1). On a national level, as of 2018, the flow of tourists continued to rise, reaching 998,841 tourists and 2,775,152 overnight stays (State Statistical Office of the Republic of Macedonia, 2018).

In 2017, based on the Travel and Tourism Competitiveness Index, North Macedonia was ranked 89th out of 136 countries (WEF, 2017, p. 225) suggesting that the country needs to focus on ensuring sustained growth in travel and tourism while preserving natural environment and local communities.

Located in the southwest region of North Macedonia (Figure 1), Ohrid is an ancient city with over 52,000 residents and a long history of tourism. Until 2017, it was the country’s leading statistical region with regard to issues of tourism and regional development (Petrevska, 2012). With 365 churches, it has been referred to as “Jerusalem of the Balkans” (Petrovski & Talevski, 2004; Vankovska & Wiberg, 2003). In 1979 and 1980 respectively, Ohrid and Lake Ohrid were named cultural and natural World Heritage Sites by UNESCO. Today, the city and the surrounding region is home to more than 30 tourist attractions and sites, accounting for one-third of all tourists and overnight stays in the country (275,613 visitors and 937,041 overnight stays in 2017) and making Ohrid the leading tourism center in North Macedonia. The number of tourists to the city far exceeds the number of residents, indicating a tourism-based economy (Garay & Cànoves, 2011). Clearly, tourism is of major economic importance for Ohrid.
Today, Ohrid generally maintains its traditional profile as a summer destination, although it has gradually been assuming attributes of a more complex cultural tourism destination. The city’s historical heritage and natural resources, gastronomy (particularly the well-known Ohrid trout), and numerous cultural events (such as the internationally known Ohrid Summer Festival) constitute the basis for tourist attractions. Due to the high number of tourists visiting the area during the third quarter of the year (July-September), Ohrid tourism is characterized by strong and robust seasonality patterns (Petrevska, 2015).

From the city’s authentic architecture (Kuzman et al., 2009; Nikoljski Panevski & Karanakov, 2013) representing the best preserved and most complete ensemble of ancient urban architecture in the region (UNESCO, 2019: 220), the museum-house of Grigor Prličev (local poet), the 900 year-old plane tree (Činar), the old shopping street, the local legends surrounding Biljana’s springs which created Lake Ohrid, to its many diverse events (music, culture, entertainment, gastronomy, sports, etc.), Ohrid presents an exceptional mixture of natural geographic and human action (UNESCO, 2015) and creates an a rare harmony thus making the region truly unique (UNESCO, 2019, p. 221).

This article focuses on Ohrid as a case study owing to both the city’s rapid growth in the realm of tourism and tourism’s substantial importance to the local economy. Over the years, Ohrid has become a tourist destination under pressure with many tourism-related challenges, some of which
have been resolved and others that continue to exist. Our aim here is to analyze various dimensions of the tourism context and to understand them in the context of the city’s urban development.

3.1 Methodology and methods

To identify the primary changes and challenges in Ohrid, the study employs a mixed research method which incorporates qualitative and quantitative data that is processed in three stages. In the first stage, we analyzed relevant secondary sources, such as official tourism statistical data, historical and contemporary written documents about Ohrid from the Institute of National History, historical documents related to tourism development in Ohrid, and historical photos obtained from the State Archives of the Republic of North Macedonia that reflect Ohrid’s transformation over the years.

In the second stage, we took the scholarship research approach (van de Ven, 2007), which enabled to combine scientific and practical knowledge in addition to enrich the information gathered through desk research. Based on face to face conversations, we interviewed eight informants, each of which possessed many years of expertise in areas related to tourism in Ohrid and works in one of the following relevant institutions: the local branch of the State Archives, the Institute for the Protection of Cultural Monuments and the national museum in the city, Ohrid’s international airport, the municipal department for local economic development, the municipal department of cadaster, Ohrid’s tour guide association (“Kej” – Ohrid), the Faculty of Tourism and Hospitality, and the office of Ohrid’s port captain.

In the third stage, we applied the TALC model (Butler, 1980). The TALC theory links the level of support of the local people to the degree of development of the destination (Upchurch & Teivane, 2000), by elaborating the growing activity through the TALC stages. For this purpose, total annual tourist arrivals to Ohrid constituted the primary unit of measure for tourism development, as it appeared to be the most reliable and easily comparable variable. The data set covers the period 1956–2017. However, in order to enhance our understanding of the topic at hand, we divided this overall period into three sub-period. Throughout the sampling periods, we conducted a detailed assessment of several areas that reflected the city’s urban context, with a particularly strong focus on the different conditions relating to the city’s economic, political, social and cultural contexts. For this purpose, we have reviewed and conducted an in-depth analysis of tourism supply (main attractions, accommodations, and service providers), tourism demand (statistics, length of stay, motives, and activities), framework conditions (changes in local population numbers; the political, economic, and social situation; bottlenecks; and constraints), impacts (tourism intensity,
accommodation capacity, physical impacts, changes in infrastructure, first and foremost air connectivity and water traffic), and prospects for tourism development.

4 Findings: the urban transformation of Ohrid

Over the years, Ohrid has experienced rapid change and noticeable urban transformation. As reflected in Figure 2 (incorporating Figures 2.1–2.6), Ohrid’s old town is the most prominent example of an area that has experienced negative reshaping as a result of tourism. This unsustainable quantitative growth in a spatially limited, non-expandable, and particularly fragile old city is an obvious threat to the city’s cultural heritage and the natural environment of Lake Ohrid. Over the years, tourism has exceeded Ohrid’s carrying capacity, beginning to cause damage to the social, cultural, and environmental fabric of the city.

Figure 2 (2.1–2.6). Ohrid’s urban transformation

When considering additional factors such as visitor behavior, timing, density, local etiquette, and the like (Koens et al., 2018; Muler Gonzalez et al., 2018), it is clear that tourism in Ohrid results in culturally, socially, and environmentally unsustainable forms of mass tourism. If less destructive
forms of tourism are not achieved, Ohrid may be faced with “the paradox of tourism risking to destroy the very thing that tourists come to see” (Panayiotopoulos & Pisano, 2019, p. 7). In the absence of significant change, Ohrid will either lose its environmental balance or its authenticity and livability, and most likely both. In addition to safeguarding its economic benefits, Ohrid must shift its focus toward qualitative growth.

Although Ohrid has changed over the years, it still attracts tourists due to its cultural heritage, which is the main pull factor. As a result, existential tourists account for one-third of the tourists who visit Ohrid to learn something about its culture (Petrevska, 2019). Unlike in the second sub-period, when there were serious hesitations about visiting Ohrid, the city is currently perceived as a completely safe and secure tourist destination (Petrevska, 2019). On the other hand, Ohrid’s urban shape has been slowly transformed, with once purely residential districts being almost fully transformed into entertainment areas with substantial tourism and hospitality enterprises.

**Figure 3. Catering and accommodation facilities in the old city center (2018)**

![Figure 3](image)

Source: Google Maps

Figure 3 presents a snapshot of the rapidly increasing number of catering and accommodation facilities extracted for the old city center alone, which are dispersed primarily along the promenade and along the shore of Lake Ohrid. Tourism development needs to be reoriented from quantity to quality, and from the goal of ever-increasing tourist arrivals to sustainable increase. Despite having legislation and an institutional framework to safeguard Ohrid’s World heritage property, there are many concerns noted as a matter of urgency for addressing the threats to the values and cultural heritage which is of particular importance (UNESCO, 2019, p. 309). Furthermore, there is a lack of understanding of the values of the property, including the interlinks between nature, culture and...
people along with the low awareness of local residents for the significance and importance of the heritage they possess (Aleksova & Miranda, 2017).

5 Ohrid’s urban change according to the tourism life cycle

In order to understand Ohrid’s life cycle curve and to enhance our understanding of the topic at hand, we divided the overall period into three sub-periods that are analyzed in this findings section. Figure 4 offers a visual representation of data on the primary variable (total tourist arrivals) for the period 1956–2017. The following three sub periods were analyzed:

(1) Sub-Period I spans from 1956 to 1990, when the Socialist Republic of Macedonia was still an integral part of Yugoslavia and Ohrid was in a socialist phase of development.

(2) Sub-Period II, which spans from 1991 to 2001, constitutes a transitional period reflecting both the decline of the first cycle of Sub-Period I and, as the period following the independence of the Republic of Macedonia, the beginning of the second cycle noted in Sub-Period III.

(3) Sub-Period III (2002–2017) covers a 15 year period following the independence of the Republic of Macedonia, including numerous early transitions and democratic challenges.

Figure 4. Ohrid’s tourism life cycle (1956–2017)

![Graph of Ohrid’s tourism life cycle (1956–2017)](image)

Source: authors’ elaboration

1 During the sample period 1956-2017, North Macedonia had different constitutional names in accordance to changes in the political system. So, between 1956 and 1990 it was named the Socialist Republic of Macedonia, while between 1991 and 2017 its official name was amended to the Republic of Macedonia. Since 2019, in accordance with the Prespa agreement, the name is changed to the Republic of North Macedonia.
5.1 Sub-Period I (1956–1990)

Prior to 1956, Ohrid, like North Macedonia as a whole, was characterized by a centralized administrative system of planning and management, and the goals, aims and objectives of tourism development focused generally on domestic tourism. The government played an active role during this period, and the investment policy generally focused on increasing the capacities of public hotels and establishing catering services and restaurants for the working class.

Figure 5. Ohrid’s tourism life cycle, Sub-Period I (1956–1990)

Figure 5 reflects that the life cycle for Sub-Period I (1956–990) fully conforms to the classic TALC model and consists of almost all its phases, except Stagnation. Therefore, the curve represented by the total tourist arrivals extends over the TALC phases of Exploration, Involvement, Development, Consolidation, and Decline.

Regarding the urban context during this period, Ohrid’s space rapidly changed during all stages. The initial restaurants and hotel accommodations dated back to the 1920s and were generally located in the city center, and many hotels changed their names in accordance with the political changes. For example, one of the city’s oldest hotels, which began operating in 1924 as the city’s most luxurious hotel under the name “Srpski Kralj” (Serbian King), was later renamed “San Stefano” and subsequently “Orient.” The city’s two most remarkable hotels, “Turist” and “Bellevue,” were built in the 1930s right on the lake promenade in the city center and attracted many tourists and visitors. Tourism infrastructure that was initially concentrated only in the core
city center, gradually shifted to the lakeshore causing modification and complete development of Ohrid’s urban functions. In this line, new public transport lines were introduced, thus enabling creation of new tourism flows labeling the city as an attractive tourist destination.

The first stage Exploration (1956–1960) was characterized by a workers’ self-government management system—a system that was applied only in socialist countries, which Yugoslavia was at the time. The overall economy collapsed, leaving Ohrid with the challenge of reconstructing basic facilities such as the railway to the city of Gostivar, the hydropower generated by the local springs, and individual handicraft shops, to name a few. The city lacked private initiatives for boosting tourism development, resulting in a total number of tourists that was low but constantly rising. Domestic tourists represented 91.1% of all tourist arrivals (an average for this stage) and were immeasurably dominant, accounting for ten times more visitors than foreigners.

Regarding the urban context, as domestic tourists are low consumers, tourism facilities were generally comprised of public boarding houses and vacation facilities for workers. There were only a dozen of publically owned hospitality enterprises with less than 1,000 beds in total, and in 1960 the number of employees in the tourism and hospitality sector hardly reached 300. A number of positive trends could be observed with the newly established “Palace Hotel”, although Ohrid was visited mainly by individual mass tourists attracted as individuals to independently organized visits. During this stage, local residents were not involved and the effects on the local economy were minimal. The way in which locals perceive tourism impacts is a highly accurate predictor of their support for sustainable tourism (Perić et al., 2016).

During the Involvement stage (1961–1968), the number of tourists who visited Ohrid increased by 48%. Domestic tourists continued to be dominant, due primarily to the favorable discounts offered (up to 40% during high-season and up to 60% during off-season). The only decline was recorded in 1963, when a catastrophic earthquake destroyed the North Macedonian capital city of Skopje, which had provided a dominant share of Ohrid’s domestic tourists. The Ohrid Summer Festival, which was established in 1961 as the country’s largest national festival event, also contributed to the tourism supply, and the Ohrid Swimming Marathon also appeared as a newly established event that today is promoted internationally.

As per the urban transformation, some local churches and monasteries (like the Church of St. Sophia) began to be viewed as historical heritage sites and to host cultural events and concerts, making them not only sites of a spiritual character for local residents but also tourist attractions (Institute for the Protection of the Cultural Monuments and the Museum of Ohrid, 1991). Residents
now began to understand the positive effects on their livelihood of increased restaurant and accommodation demands. Almost all of the hotels were renovated, and the number of hospitality enterprises increased substantially to more than forty, with a total of more than 6,000 beds. As a result, the average length of stay increased to 5.7 days, or an entire day longer than in the Exploration stage.

Between 1969 and 1980, Ohrid underwent its Development stage, making it clear that tourism had become the priority sector of local development. The mean growth of tourism demand during this stage was 7.7%, far exceeding the critical 2.5% threshold identified by Romão et al. (2013) as an indicator of high development.

Furthermore, the urban transformation was noted in the receptive motive. Namely, the number of rooms and beds increased substantially, and Ohrid could offer daily accommodations for more than 14,000 tourists (Filipovski, 2005, p. 179). The number of domestic tourists almost doubled and the number of international tourists tripled, particularly due to the complete renovation of the old Ohrid airport, which was built in 1953. Although total overnights increased by 66%, the average length of stay decreased to 4.4 days, indicating that Ohrid needed to shift from a purely recreational approach (offering only sun, lake, and leisure) to promoting the cultural heritage of the city and the surrounding area. Beginning in 1977, the Ancient Theatre, which dates back to 200 BC and was discovered in the urban center of Ohrid in the 1960s, was systematically revealed. Later, in the 80s, the site was opened for public events, primarily during the summertime, and today it is known for its many high-profile cultural performances.

During the Consolidation stage (1981–1985), the total number of tourists grew by 28% compared to the Development stage, indicating full development of the city’s tourism functions. As noted by Martin and Uysal (1990), the onset of this stage is often indicated by physical, psycho-sociological, and sociological criteria. The resident-to-tourist ratio stood at 20:80, with tourists accounting for almost 4 times the local population. During this stage, the local authorities started to set strategic criteria for planning the tourism aspects of local development. This made a significant contribution to tourism development in the city and re-organized urban tourism in the city (Mitrovic, 2015).

Unlike their analysis of North Macedonia according to the TALC model, in which Petrevska and Collins-Kreiner (2017) found the country to be in the Stagnation stage, Ohrid directly entered the Decline stage (1986–1990). Just before North Macedonia gained independence, Ohrid recorded an 11% decline in the total number of tourists and a 27% decline in the total number of overnights. The number of air passengers rapidly decreased due to a combination of several negative factors,
such as the lack of strategic vision for aircraft development in the country, instability in the surrounding region, and unfavorable political conditions (on both the national and regional levels). The privatization of the state-owned companies that got underway in late 1989 negatively influenced the local population, shocking them with the loss of jobs. The declining standard of living resulted in a rapid 39% decrease in domestic tourist arrivals. Moreover, the onset of armed conflicts among different groups in former Yugoslavia made this sub-period profoundly unfavorable for Ohrid’s tourism and urban development.

5.2 Sub-Period II (1991–2001)

Figure 6. Ohrid’s tourist arrivals, Sub-Period II (1991–2001)

The decade-long period between 1991 and 2001 can be considered a transitional stage for Ohrid’s tourism and urban development, reflecting both the decline of the first cycle and, as the period following the independence of North Macedonia, the beginning of the second cycle in Sub-Period III (Figure 6).

It was during this period that the previous cycle was brought to an end by serious events with profoundly negative implications not only for Ohrid’s local economy but also for the national economy of North Macedonia. The most important political and economic events during this period were as follows: the collapse of former Yugoslavia sparked numerous ethnic conflicts in North Macedonia’s surrounding region, such as the war in Slovenia (1991), the Croatian war of independence (1991–1995), the Bosnian war (1992–1995), and the war in Kosovo (1998–1999), including the NATO bombing. North Macedonia now faced a refugee crisis, the
establishment of a new monetary system and currency, the transformation from a planned to a free-market economy, ethnic-conflicts, political crisis, and numerous issues of socioeconomic restructuring.

Figure 6 clearly reflects extreme declines in 1992, 1997, and 2001. The drop in tourism activity in 1992 can be explained by both internal and external factors which caused further substantial change in the urban development. In the early 1990s, like all the transition economies, North Macedonia too experienced sharp decline in real output which was labelled the transformation recession. Specifically, real GDP fell by 6.6% in 1992 and 7.5% in 1993. In addition, North Macedonia was faced with hyperinflation (by the end of 1992, inflation stood at 1,925%), which added fuel on the fire causing the recession to be even deeper. The economic contraction was exacerbated by the break-up of the former Yugoslav federation accompanied by a series of military conflicts resulting in huge drop in foreign tourist arrivals. It was only in 1996 that the economy began to recover albeit the output growth was still very low. At the same time, the unemployment rate increased sharply during the years following the disinflation program peaking at 36% in 1997. During the course of 1997, the hostilities in Kosovo escalated which created widespread anticipations of NATO intervention.

Political instability is often viewed as a factor that increases the perception of risk at a destination (Gartner & Shen, 1992; Hollier, 1991; Ioannides & Apostolopoulos, 1999; Mansfeld, 1996; 1999; Richter, 1992; 1999; Seddighi et al., 2001; Teye, 1986; Wall, 1996). During Sub-Period II, neither Ohrid nor North Macedonia were perceived as safe tourist destinations, causing tourism and urban development in Ohrid to stagnate as a result of a slow recovery and transformation process, a lack of coordination between the key tourism players, a lack of foreign investment, and other factors. In addition, in 1991, the government decided to restore to the Church the right to the standing economic usage of local cultural landmarks, resulting in a rapid decrease in municipal funds (Institute for the Protection of Cultural Monuments and the Museum of Ohrid, 1991).

5.3 Sub-Period III (2002–2017)

Following the 2001 breakdown stemming from the ethnic conflict in North Macedonia, the local authorities of Ohrid redefined tourism as an important factor for economic development and placed it on its agenda as a high-priority. Ohrid was again identified as the major tourist pull, and local and central authorities delineated the approach to be followed by formulating a medium and long-term tourism policy, preparing and implementing a tourism development plan, and assuring
tourism quality. In contrast to Sub-Period I, in which Ohrid’s life cycle fully conformed to almost all the stages of the classic TALC model, this cycle features only three stages: Exploration, Involvement, and Development (Figure 7).

**Figure 7. Ohrid’s tourism life cycle, Sub-Period III (2002–2017)**

During the short Exploration stage (2002–2003), tourism in Ohrid was characterized by low publicity, inadequate tourism infrastructure and facilities, and unconvincing advertising. Ohrid also suffered from a lack of specific tourism-oriented services, although some positive developments were noted. Regarding the urban context in 2002, the government promoted a new attraction which, in addition to religious purposes, also served tourism purposes: the construction of a completely new monumental church on the old grounds with a spectacular panoramic view of the lake. Today, the old city core got a new look since Plaošnik is one of the most visited tourist sites in the city, emerging as one of the brands of Ohrid.

During the Involvement stage (2004–2010), the local environment improved significantly in political and economic terms, which contributed to the expansion and enhancement of tourism facilities, areas and sites. As a result, the urban setting has dramatically changed and many new tourism attractions were opened, including the 2008 establishment of the museum at the Bay of Bones, located 14 km from Ohrid on the eastern shore of Lake Ohrid. This prehistoric lakeside village has 60 homes, constituting a reconstructed settlement that existed even before the Roman Empire. From its very establishment as an open monument, the museum has been visited year-round, attracting over 10,000 tourists and visitors during the main summer season alone. The site is mapped as an important cultural and historical landmark not only of Ohrid but of North Macedonia.
as a whole as a truly unique and large-scale underwater excavation on the European continent. In addition to this museum, scuba-diving has emerged as a completely new leisure tourist activity in Ohrid when the city got its first diving center. Moreover, in 2005, the Ohrid Summer Festival got underway with a prestigious opening ceremony featuring world famous tenor José Carreras, attracting a record number of visitors to the event. During this TALC stage, the local population came to understand the positive implications of tourism development. The more local residents gain from tourism, the more motivated they are to support tourism activities and protect the destination’s natural and cultural environment (Boley et al., 2014; Liu, 2003; Perdue et al., 1990).

A new tourism flavor was given to the urban look of the city with additional tourism promotion when in 2010 NASA decided to name one of the Lakes of Titan (Saturn’s largest moon) as “Ohrid Lacus” (after the Lake Ohrid). The government made strategic use of this moment by issuing printed promotional materials highlighting the fact that Lake Ohrid is one of the world’s few ancient lakes, along with Lake Baikal (Russia) and Lake Tanganyika (Africa) (MANU, 2009).

The Development stage (2011–2017) was characterized by a progressive increase in the number of tourists, attracted by persuasive advertising and increased promotion. The urban space has completely changed as the local authorities played an important role in introducing a functional mix that led to the development of tourism, gastronomy (restaurants and pubs), and office space (i.e., commercial gentrification). During this period, Ohrid’s local authorities’ budget for tourism development was between €190,000 and €300,000, attracting a record high number of tourists in 2017, representing an increase of 64.6% and an average annual growth rate of 4.6%. The average number of tourists during the Development stage was 1.2 times greater than the average number of tourists recorded during the Involvement and Exploration stages. The statistics on the apartments exchanged online do not provide the total number of transactions, which means that the number of tourists could be even higher. After the expansion of the online vacation rental platforms being coordinated by a company (for example Airbnb) the city suffered from increased tourist pressure. To this, one must add the unregistered tourists accommodated in large number of unregulated and officially not categorized accommodation capacities.

On the other hand, the trend of increasing arrivals was followed by a more moderate increase of only 4.5% in total overnights and an average annual growth rate of only 0.6%. This data suggests a lack of connectivity between increased arrivals and overnights, indicating a short average duration of stay (only 4.4 days). Due to increased number of visitors who are generally interested in being accommodated in the core city, the center during the high summer season is depopulated. As in
the case of Venice (Seraphin et al., 2018), this has caused housing prices to increase greatly, making Ohrid the most expensive city in North Macedonia.

The main urban change happened in the beginning of 2011 with increased air traffic immediately after the modernization of Ohrid’s international airport. The result was a 75% increase in the number of passengers and a more than doubling of the number of airlines. In addition to three regular routes year around, eight seasonal destinations were added and seven more were announced for 2019. Double-digit increases (on an annual basis and for the entire period), new airlines, and increased flight frequency led to a rise in the number of foreign tourists, particularly from the Netherlands and Poland, as well as a stream of newcomers from Israel and Estonia. The operation of low-budget airlines has helped attract young travelers wishing to discover Ohrid as a new destination. According to Petrevska (2019), such newcomers make up one-third of the tourism demand for Ohrid. In this way, as noted by Cohen (1972), individual mass tourism has slowly shifted to organized mass tourism. Immense growth was observed in the water traffic on Lake Ohrid over a short period, whereas the boat rides were found to constitute a profitable business for locals.

Tourist activities have started to expand at a quicker pace, with the introduction of specific activities for tourists and visitors, such as scuba-diving, paragliding tandem flights, kayaking, mountain biking, hiking in National Park Galičica, donkey-rides and horse-back riding, off-road safaris, and more. In this context, local authorities have supported numerous local events aimed at enhancing tourism development. In 2017, Ohrid introduced the first sport event “Ohrid TrcaT,” a 5 and 10 km running race through the narrow streets of the city center, offering locals and visitors a unique opportunity that combines recreation and socializing with the lively culture and natural treasures of Ohrid.

Substantial improvement in the quality of private tourist accommodations was initiated in 2015, when the local government began offering 50% subsidies to private property owners for prompt payment of the tourist tax. In 2017, the local authorities began offering a full subsidy with the aim that this money be reinvested in tourism accommodation capacities. Consequently, Ohrid improved the quality and standards of overnight accommodations and stimulated the local economy through tourism development. Auxiliary tourism facilities and services also experienced improvement, and investments were made in new ventures. The number of beds increased, reaching 14,173 beds in 2,743 private properties, in addition to 5,553 beds in 44 hotels (LED, 2018).
As a total Ohrid’s life cycle curve was found to exhibit a double cycle sequence known as a cycle-recycle pattern (Rink & Swan, 1979). Petrevska and Collins-Kreiner (2017) found the same to be true of the tourism life cycle of North Macedonia. As in the first sub-period, Ohrid has not reached the Consolidation stage and is therefore strongly believed to have stagnation in store. This could begin when the rate of tourists’ visits begins to decrease despite growth in absolute figures. It is expected that Ohrid’s tourism market will soon be saturated, and the introduction of new, innovative itineraries is therefore a priority for the promotion of diversified local tourist products. To this end, Ohrid is in need of strengthening, supported by reminder-oriented advertising and the implementation of new strategies for tourism development, largely through the involvement of local stakeholders (Brooker & Burgess, 2008; Kozak & Martin, 2012).

6 Conclusion

The present study found Ohrid to be a city with an increasing tourism intensity and volume that raises questions of social and economic carrying capacity. The research revealed a double-cycle sequence, and our assessment suggests that Ohrid is in the Development stage of the Tourism Area Life Cycle. This means that Ohrid is attracting sufficient visitors and is still succeeding in maintaining control over undesirable social impacts, such as crime, overcrowding, rising prices, and local hostility, and has therefore reached a state of tourism maturity.

The urban transformation of Ohrid through sixty years, when once it had been simply a town by a lake, became a lively tourist attraction and in doing so the city’s overall character underwent change. Over 6 decades which were sampled, the number of tourists has rapidly grown to 6 times the original (from 46,200 in 1960 to 276,000 in 2017), while the city has tripled in size from 16,500 inhabitants in the 1960s to 52,000 residents today. While the total number of local residents decreased by 5.8 %, as of 2001 (after the transitional stage when the second cycle started), the number of tourists visiting Ohrid increased by 81.9 %. This brought about a complete change in the urban context: from just a few hotels in the inner city in the 1960s, to over 50 classified hotels all along the lake shores constituting one-quarter of all hotels in the country. In addition, initially there were less than 200 private accommodation rentals in 2008, and this figure rose to more than 2,100 in 2017, offering over 13,000 beds in this sector.

Furthermore, over the years, government has played extremely influential developmental and operational role in all the TALC stages, which is consistent with the findings of “active governments” in other developing countries (Jenkins & Henry, 1982; Zhang et al., 1999). On the other hand, the research found the local policies and municipal regulations to be insufficient for
tackling the negative impacts of tourism’s rapid expansion. As noted by Smith et al. (2018), the lack of urban planning and uncontrolled tourism development is leading to a decline in quality of life in the city and eroding its unique character. Ohrid can be expected to continue developing along its current trajectory but for a limited time only, with the prospect of possible decline in the future. As noted by Baum (1998), if rejuvenation is not successful, the decline period may be excessively prolonged, thus, provoking an adoption of a deliberate exit strategy from tourism. Therefore, the scenario for rejuvenation (Argarwal, 1997, 2002), as one of the alternative stages at the end of the TALC, cannot occur by accident, but only as a result of permanent strategic planning of tourism development of Ohrid. Yet, as noted by Seraphin et al. (2018), the government should apply such ambitious policies to be able to guarantee the destination social sustainability instead of just asking for the reduction of the tourist activity.

Ohrid, we argue, is a tourism destination under pressure facing over-tourism, as a function of the number of tourists and the carrying capacity of the tourism system (Byers, 2016; Goodwin, 2016; Jordan, 2016). It was found that Ohrid failed to properly address and manage its tourism growth and its concentration over time and space. The city faces major challenges as growing visitor arrivals impose increasing pressure on the city, both in physical and environmental terms (such as congestion, traffic, pressure on facilities and infrastructure) and in social and cultural terms (community tolerance, crime, quality of life). In this regard, tourism might diminish the experience of many visitors and disrupt the life of residents at destination (Dioko, 2017). As such, Kučer and Mihalič (2019) and VALICON (2017) already found residents’ dissatisfaction or irritation with tourism impacts in Ljubljana, while Barcelona, Berlin and Venice are found to be the European capitals leading tourist overcrowding (Martín Martín et al., 2018).

In Ohrid, its carrying capacity is exceeded, as rapid tourism growth in conjunction with inadequate infrastructure leads to overcrowding, particularly in the high season (the third-quarter of the year). Too much visitors aggravated by seasonality as in the case of Ohrid, is among the main causes for negative consequences of tourism that Rosenow and Pulsipher (1979) called visitor ‘overkill’. Recent studies highlights that over-tourism is multidimensional (Koens et al., 2018) and a common solution cannot be defined because of the complexity of the issue (Peeters et al., 2018). Seraphin et al., (2018) note that over-tourism is likely to be a permanent phenomenon, and a way out is seen in ‘trexi’ meaning tourism exit and being against further development of tourism. So, negative impacts and disruptions due to high tourism concentration have led to ‘antitourism flare-ups’ (Dioko, 2017) in many high profile destinations (Coldwell, 2017, 2018; Hughes, 2018).
But Ohrid is not facing tourism problems alone, as many of the factors resulting in higher tourism vulnerability cannot be managed solely by tourism actors. The lack of a strategic approach, and the local population’s low awareness of the importance of sustainable tourism development, are two major, related problems. There is a need for constant dialogue between key tourism actors and local authorities in order to cope with the challenges of over-tourism. One strategy for preventing the negative effects of tourism development in Ohrid is to reduce the dependency on tourism and to diversify the tourism product. Through diversification, Ohrid could reduce its vulnerability as a destination. Therefore, as a destination characterized by high-intensity tourism, Ohrid needs to identify solutions and approaches that will serve to proactively increase carrying capacity and, at the same time, influence the drivers of tourism growth to better manage the challenges.

The research was limited by several factors that can serve as productive starting points for future work. First, it employed just one variable when modeling the TALC curve and could therefore be enhanced by the addition of supplementary significant indicators to better assess the city’s stage of development. Second, instead of using one model, future research could employ multiple models and theories relevant to assessing the impact of tourism on urban city development. Finally, there is the risk of overgeneralization of the findings and the danger of assigning excessive importance to details and specifics, which is often viewed as the greatest disadvantage in applying a case study method (Sartori, 1994; Yin, 1984).

These limitations, however, do not diminish the significance of the findings, but rather suggest a number of broad directions for further research. Notwithstanding the difficulties involved with using the TALC model to assess the evolution of tourism in Ohrid, this article helps us better understand the symptoms and the indicators upon which a serious redesigning of local tourism development strategy should be based. Overall, the research generated useful findings and points to valuable trajectories for further work.

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