

ПРОБЛЕМЫ И ПЕРСПЕКТИВЫ РАЗВИТИЯ СОТРУДНИЧЕСТВА МЕЖДУ СТРАНАМИ ЮГО-ВОСТОЧНОЙ ЕВРОПЫ В РАМКАХ ЧЕРНОМОРСКОГО ЭКОНОМИЧЕСКОГО СОТРУДНИЧЕСТВА И ГУАМ

методи знаходження оптимальних розв'язків.

Ключові слова: туризм, задача комівояжера, сітьове моделювання, стохастичне програмування.

РЕЗЮМЕ

Работа посвящена задачам комбинаторной оптимизации, с помощью которых можно разрабатывать проекты в области туризма, рекреации, охраны окружающей среды и т.д. Получена стохастическая модель, более адекватная, чем детерминированные модели. Предложены методы нахождения оптимальных решений.

Ключевые слова: туризм, задача коммивояжера, сетевое моделирование, стохастическое программирование.

SUMMARY

The scientist studied problems of combinatorial optimization in the article. We can with the help of these problems design the projects in the field of tourism, recreation, of an environmental protection etc. The scientist has received stochastic model. This model is more adequate, than determined models. The writer of the article has offered methods of definition of the optimum solutions.

Keywords: tourism, traveling salesman problem, network modeling, stochastic programming.

INTERNATIONALIZATION IN BULGARIAN TOURISM- FRAMEWORK AND CHANGES

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I. Introduction and formulation of the study

Every kind of business has spatial and time definiteness. The spatial realization of tourist business fixes no borders but only the range according to the essential characteristics of change regarding the kinds of activities or kinds of manufactured products. In this sense, the range of company business can go beyond national economy borders, finding in the international market environment the most favourable conditions for a company's operations. The binding of a company's business with success leads to creating structures or a network of structural units, which are to operate beyond the borders of national economic space.

Going beyond national economy borders a company "operates" in such a market environment, which enables it to fully display the advantages in operating. According to its transformations it can be regional, international or global; the company's operations are stipulated by "company-environment" interaction. Thus, studying international dimension in carrying out a company's business is not accidental but is a continuation of a company's striving for development which finds the national market too narrow to operate in.

In a conceptual plan the development of tourism as an economic activity in Bulgaria receives a *different perusal* depending on the stages and forms of carrying out the internationalization process. Retrospection on the development is indicative for the way *environmental factors* determine the character of its internationalization.

II. Indications of international dimension of tourist business in Bulgaria

The views on the stages outline different indications in implementing a business international dimension:

- There is knowledge accumulation during the stages of increasing involvement with foreign markets.
- The development process is systemized in certain phases which depend on causalities between different sets of variables inside a system or organization.
- Development history is described which reveals a determinative relation between results, certain active factors and program forces.
- Determinateness between active forces and results excludes skipping stages of development.
- The shaping models can be used for revealing potential for future development.

Retrospection on tourism development in Bulgaria reasons the differentiation of several separate stages in which according to the above shown indicators the internationalization process specifics are revealed:

- first stage – from the beginning of the 60s to the end of the 80s of the 20th century, when the macroeconomic development model was defined by the principles of centralized economy and planned socialist economy;
- second stage (1990-2000), when economic reforms started, stipulating the change of macroeconomic model, and principles of market economy were introduced, known as transition period;
- third stage (2000-2007), of which we consider that the economic system transformation is still going on, although the transition to market economy has ended, as this period is marked by the ongoing process of EU integration;
- Fourth stage – after 2007 in which the harmonization which has begun in legislative and socio-economic aspects with the legislation and operative mechanisms in EU is practically going on and thus contributes to our country's integration to the fullest sense of the word.

Following the quantitative and qualitative parameters in the development of tourism, as an economic activity in our country according to the periodization made, we can find out which of the indications shown in carrying out the expansion international dimension prevail over the respective period. For this purpose we aggregate the specific characteristics of processes occurring during the respective period and having paramount significance for the development of tourism as an economic activity for this period.

The *first stage* can be called fundamental. Aggregately, the characteristic features in the development of tourism in our country can be described as follows:

a) *A priori international tendency of tourism within the framework of international division of labor by the force of socialist economic integration;*

Data from this period show that the share of tourists arriving to our country from the former Soviet Union ranged within 35-40%, and the total share of tourists from socialist countries ranged within 60-65%. The relative share of tourists from Western Europe hardly amounted to about 5% of the total number of foreign tourists. Tourism marked its peaks in development in the 80s, when record levels were reached for the number of foreign tourists and the number of booked accommodations. German tourists ranked first with over 800 thousand annually, followed by tourists from the former USSR of over 600 thousand annually.

b) *As a relatively independent economic activity tourism develops under the industrial model of organized tourism;*

Determined by the size of the country's industrial development, tourism development tends to introduce the mass model of organized tourism. In order for its advantages to be developed the first economic enterprise "Balkantourist" was created, through which the fundament of a structured organization was built with divisions throughout the country, its main task being expanding and maintaining a material basis in new sizable construction projects. Eight tourist complexes were established in 1977 under a territorial principle. Four of them are along the Black Seas Coast – "Albena", "Golden Sands", "Sunny Beach" and "Bourgas". As of 1990 according to data of the National Statistical Institute Bulgaria had 603 hotels, 71 camping-sites, 445 huts и 99 accommodation offices. The hotels had 114 262 beds.

c) *State and economic administration was created and developed, which started to manage tourism independently, as an economic activity, which strengthened its international profile.*

A relatively independent economic system of tourist industry was formed to function within the framework of the national economy. Centralized by its way of management and relatively complete along the technological chain, it comprised all basic elements and activities, incl. hotel-keeping, restaurant-keeping, transportation, tour operation and tour agent activities. In 1963 the existing economic structure of "Balkantourist" was reorganized into a state economic association, which expanded its functions and included new activities. There is evidence of this in the administrative reforms –

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Tourism Head Office was established in 1963 within the Council of Ministers, which in 1966 was reorganized into a Committee of Tourism, and in 1973 the Committee of Recreation and Tourism, having ministerial rank was created.

The second stage passes under the transition period, marking the change of centralized economy with market economy. The aggregate characteristic features of this stage express the following:

a) *under the influence of reforms the economic principles of tourism functioning as an economic activity were transformed – the change in property led to a new way of management;*

One of the main steps of the reforms for changing the economic model of the country, which brought about to the creation of market economy and competition, is the process of eliminating state ownership and privatization. As early as the first years of the reforms over 90% of the hotel basis was privatized. Meanwhile, lots of new hotels and tourist sites appeared which created the view of modern tourist business in our country but exactly this process of uncontrolled construction set a multitude of infrastructural and environmental problems for the next periods in the development of business. A new page in the development of tourism, as an economic activity, was opened; it was marked by the fact that it began to function as an independent type of business under the conditions of open market economy. Its significance was increasing as a source of welfare for whole regions in the country, although there was a considerable drop during the period 1990-1998.

b) *Qualitative and quantitative changes occur in tourist business;*

The applying of market principles contribute to tourist business developing on the basis of “good tourist practice”, accumulated as experience by the advanced countries and companies in the world. Rationalization of the whole concept of business quality and of offering Bulgaria’s tourist products on international markets has begun. It is accompanied by reconstructing the outdated material basis, improving and modernizing the infrastructure, as well as by attracting foreign investments to business.

c) *Change in the international profile of tourist business;*

The processes of transformation have a double influence on the development of tourist business and contribute to a change of its international profile. On one hand, the disintegration of the socialist system and the transition period prove to be important reasons for the decrease in the flow of tourists from Central and Eastern Europe. On the other hand, the flow of foreign tourists from Western Europe and the Balkan countries increases.

d) *The number of operating subjects along the established technological chain is increased, a number of new units are created related to stimulating business and aiding entrepreneurship initiative and to preserving environment.*

Network organizational structures are built, their aim being coordination of connections, and along with this implementing control over tourist business at different levels. Some of the new structures operate at a national level (Association of Bulgarian Tour Guides, Association of Seaside Beach Concessionaires, Bulgarian Association for Alternative Tourism, Bulgarian Association for Cultural, Rural and Ecological Tourism, Bulgarian Association of Bartenders). Others operate at a regional level (regional tourist councils, regional tourist chambers). Two types of organizations are differentiated – professional association and non-governmental organizations).

The third stage is marked by two parallel processes – of the economic system’s ongoing transformation and of Bulgaria’s rising EU integration involvement, under which the aggregate specific features of the two processes having defining significance for the development of tourist business can be brought to the following:

a) *Qualitative transformation of tourist business, accompanied by rapid extensive development and expansion of the material basis;*

This statement is reasoned by the keeping of the upward trend in the number of foreign tourists. This logically leads to an increase in the volume of investments in the branch, together with the upward development of the investment process in the economy as a whole. They grow fivefold during the period 2000-2007, and as a result of this new high-rank hotels and new resort complexes appear. Established investors in the tourist business like GREKOTEL, HILTON INTERNATIONAL, CORT SECURITIES, etc. are the main contributors.

b) *The structural profile of foreign visitors is diversified, compared to the previous period;*

Table 1

Percentage of accepted tourists from target eminent states in the total number of foreign tourists

Regions of emittent-states	2001	2002	2003	2004	2005
Western and Southeastern Europe					
Greece	13%	12%	11%	12%	13%
Germany	13%	14%	12%	10%	12%
Great Britain	2%	3%	4%	4%	3%
Scandinavian countries	3.7%	3%	3.5%	5%	4%
Central and Eastern Europe					
Macedonia	22%	20%	19%	11%	12%
Serbia and Monte Negro	12%	15%	17%	10%	11%
Russia	5.3%	4%	3%	2%	2%
Poland, Hungary, Czech, Slovakia	5%	5%	6%	5%	5%

Source: State Agency for Tourism in : <http://www.tourism.government.bg/bg/stat.php?menuid=3&id=3>

- If we follow the structure of flows of tourists visiting our country, we will find out that the market groups by emittent-states having decisive significance in terms of demand for Bulgarian tourist products (Table 1) are countries within the range of Western and Southern Europe, as well as Central and Eastern Europe.

c) *Introduction of standards for tourism business implementation, which are established practices in EU, and which paritarily protect consumers’ interests and guarantee sustainability in business development.*

The gradual maturing of Bulgarian tourist business to the advantages of securing the product quality and the business quality via standardization and introduction of systems for quality management and sustainable development advances with the confidence that it is exactly the quality of product and service that attracts more solvent tourists and ensure higher income for the economic subjects.

III. Results from the analysis

Based on the arguments exposed so far, we come to the conclusion that there are two mutually penetrating and mutually covering processes outlined – of quantitative development, connected with the increase of tourism dimensions as an economic activity in our country, and at the same time of qualitative improvement and maturity. In all stages of their development, however, tourist activities have had expressed international profile, under which a prevailing number of received foreign tourists is observed (Table 2). The international profile of tourism in our country is individualized in the different stages with the following:

- Tourism, passing through systems of functioning and management, different in their economic nature, as a relatively independent economic system within the national economy shows development upward in spite of the contradictions and crisis moments.
- During the first stage is achieved enough critical volume, whose dimension stimulates the realization of economic effects from the international trend of tourist activities.
- Increasing of the critical mass in terms of dimension is observed also during the third and fourth stages, in which a market type of environment and relations is established. The lack of correlation between supply and demand, by force of the chaotic expansion of tourist business and the lack of effective regulators in our country (Weston 2006), lead to a number of contradictions, reflecting on profitability and level of business quality.

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Table 2

Periodization and characteristic features of the flowing processes, reasoning the international dimension of tourism, as an economic activity

Periodization	Characteristic features of macroeconomic environment	Characteristic features in the development of tourism as an economic activity
First stage (from the end of the 60s to the beginning of the 90s of 20 th century)	The centralized planned economy, international specialization in the sphere of tourism within the framework of CMEA and the relative economic reticence of the system restrict West European tourists	- Creating a material basis for the dimensions of mass organized tourism; - Building and organizational-structural system of a relatively independent tourist industry of expressed international profile
Second stage (1990-2000)	Market reforms for changing the economic model, transition to market economy and opening the national economy	- Privatization and change of the management model; - Decentralization and building network organizational structures for coordinating tourist business relations; - Preserving, but reorienting of the international profile of tourist business; - Provoking of crisis situations from the uneven development of different processes in transition
Third stage (2000-2007)	Parallel flow of transformation processes of economy and EU economic integration	- Qualitative transformation of tourist business, accompanied by rapid extensive development and expansion of material basis; - Attracting foreign investments; - Outlining of contradictions in business development
Fourth stage (after 2007)	Harmonization of national economy in socio-economic relation with EU operating mechanisms and practices	- Efforts for introduction of standardization and systems for quality guarantee and management; - Stimulation of "good practices" by the example of EU countries; - Outlining a strategy for sustainable development of tourism

- Under the impact of transformation processes the second and third stages are above all marked with *qualitative changes in the character and tendency* of tourism as an economic activity.
- The second stage is characterized with *discontinuance of the growth and detention of development* because of problems, difficulties and contradictions caused by the change of model in the transition period.

The process of internationalization of tourist business over the last twenty years in our country determines the current positions of Bulgaria as a tourist destination in the world, as shown in table 3. As can be seen from the table our country's positions in the world tourist business according to the ranking of World Travel & Tourism Council for 2009 show that Bulgaria is not only preparing for a new leap in tourism development, but also with its increasing importance this kind of business is one of the possible specializations of our country within the framework of international business. Apparently, the world economic crisis influences tourist business in Bulgaria, but on the background of recorded drop in EU and worldwide; Bulgaria's losses are surmountable because of the potential of gained experience, capacity and market success over the last years of transformation. In this case applying the approach of simultaneous tracing of periodization and characteristic features of occurring processes, determining the international dimension in tourism, takes us to the *following conclusions* regarding the changes in the international profile of Bulgarian tourist business:

Table 3

Position of Bulgaria on the international tourist market

Position in the world in Travel & Tourism Economy GDP, 2009	Position in the world in Travel & Tourism Economy GDP (10-Yr Real Growth Annualised, %)	Position in the world in Travel & Tourism Economy Employment, 2009 % of total emp.	Position in the world in Travel & Tourism Total Demand, 2009 Real Growth %
27 Croatia 23%	24 Croatia 6.3%	22 Croatia 26%	22 Rumania 3%
38 Greece 16%	33 Slovakia 5.9%	31 Greece 19%	37 Slovakia 1.9%
45 Slovakia 14%	34 Rumania 5.8%	37 Austria 15%	52 Albania 0.9%
48 Austria 13%	45 Bulgaria 5.4%	58 Slovakia 12%	81 Czechia -1.4%
55 Albania 12%	59 Czechia 5.1%	65 Italy 10%	97 Greece -2.5%
66 Czechia 11%	77 Albania 4.8%	69 Albania 10%	113 Austria -3.7%
75 Bulgaria 10%	131 Greece 3.5%	72 Czechia 10%	129 Croatia -5.2%
77 Italy 9%	35 Austria 3.5%	85 Bulgaria 8%	131 Italy -5.2%
136 Hungary 6%	136 Hungary 3.4%	108 Rumania 6%	142 Bulgaria -6.4%

Source: The World Travel & Tourism Council, 2009.

- A) The retrospection regarding development of tourism in our country confirms "internationalization as a clearly distinguished variant of growth" in qualitative and quantitative aspect.
 - B) The operating environmental factors, beyond national economy define various indications for carrying out expansion in its international dimension.
 - C) Internationalization is based on knowledge and experience accumulated in the course of particular stages, which lead to increasing involvement with foreign markets. At the same time every particular stage forms models, which can be used for "opening the potential for future development".
 - D) Studying the internationalization processes makes it possible to "systemize the development process in certain phases, which rely on causalities between different sets of variables inside the system or organization".
- This gives us good reasons to assume that tourism internationalization in Bulgaria is a topic relevant to the common trend of upward development of tourist business and as much relevant to qualitative changes, through which it passes under the influence of the common processes of economic transformation and internationalization, characteristic of our national economy.

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РЕЗЮМЕ:

Дане дослідження відображає наступні показники інтернаціоналізації: Накопичення знань про зростаючу прихильність діяльності та предметів; Систематичний аналіз змінних, що характеризують інтерактивного зв'язку між діяльністю і предметів у ретроспективній точки зору бізнес-середовища, історія розвитку, пов'язаних з детермінізм факторів і результатів, створення бізнес-моделей, які стимулюють економічне зростання.

Ключові слова: Інтернаціоналізація, болгарського туристичного бізнесу, зміни, ретроспективний

РЕЗЮМЕ:

Данное исследование отражает следующие показатели интернационализации: Накопление знаний о растущей приверженности деятельности и предметов; Систематический анализ переменных, характеризующих интерактивной связи между деятельностью и предметов в ретроспективной точки зрения бизнес-среды, история развития, связанных с детерминизмом факторов и результатов, создание бизнес-моделей, которые стимулируют экономический рост.

Ключевые слова: Интернационализация, болгарского туристического бизнеса, изменения, ретроспективный

SUMMARY:

The research focuses following indicators of internationalization: Accumulation of knowledge about the growing commitment of the activities and subjects; Systematic analyzing of the variables which characterize the interactive connections between the activities and subjects in retrospective terms of the business environment; History of development regarding the determinism of factors and results; Establishment of business models which stimulate the economic growth.

Key words: Internationalizing, Bulgarian tourism business, changes, retrospective

PRIMARY BUSINESS CLIMATE LIBERALIZATION AREAS IN REPUBLIC OF BELARUS

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As global practice shows, the social model of the XXI century is the society, providing sustainable economic and political development with a primary focus on social needs and responsibilities. Society has come to realize that national goals surpass state and individual pecuniary matters. All parties of the modern society hold an interest in constructing such model. Each one of them must be aware of own responsibilities, be it a state, a political party, a company, a nongovernmental organization or an individual citizen.

Social market economy ("*Soziale Marktwirtschaft*"), a theoretical concept and a type of market economy, emerged after World War II and became widely known due to the economic policies pursued by Ludwig Wilhelm Erhard. Since 1948 Erhard's program has sustained rapid reconstruction of war-ravaged national economy and ensured its continuous dynamic development - further known as German economic miracle ("*Wirtschaftswunder*").

The concept of social market economy still plays a major role in the formation of German economic policy. However, this does not mean that the social market economy is suitable to only one country. Social ideas have been implemented in many European countries. Sweden is one of the states, where ideas of socially balanced market economy have been originated and implemented. Social market economy is a result of natural historical development of the society common to all countries with market economy.

The study of social market economy could be of great theoretical and practical importance as underlying processes of social development are reflected in its categories and principles, laws and regularities. Moreover, analysis of theoretical methodological foundations of social market economy, its evolution and practical results are crucial, given the transient conditions of current Belarusian reality.

The essence and regulation of business environment by the state are two of the key factors in this process.

On a macro level Belarusian business environment can be analyzed through the overall ranking and individual components of the Doing Business Index ("*Doing Business 2010*") and business surveys, conducted by international organizations and research institutions.

While working on the last report on the ease of doing business the World Bank experts have noted recent Belarusian reforms in six of the ten studied business management areas, including starting a business, dealing with construction permits, employing workers, registering property, paying taxes and trading across borders [Exhibit 1]. As expected, the greatest progress was observed in the area of starting a business. With the adoption of the decree #1 from 16 January 2009 "Registration and dissolution (demise) of economic entities" Belarus has moved up the rank in this category from 98 to 7 (91 positions change). Due to the decree four registration procedures were combined into one, prerequisite for the minimal statutory fund was annulled and the time for starting a business was decreased by almost one month.

Exhibit 1: Belarus's ranking in "Doing Business 2010" and "Doing Business 2009"

	Doing Business 2010	Doing Business 2009	Annual Change
Ease of Doing Business	58	82	+24
Starting a Business	7	98	+91
Dealing with Construction Permits	44	62	+18
Employing Workers	32	40	+8
Registering Property	10	13	+3
Getting Credit	113	109	-4
Protecting Investors	109	105	-4
Paying Taxes	183	183	0
Trading Across Borders	129	134	+5
Enforcing Contracts	12	14	+2
Closing a Business	74	74	0

Source: World Bank and IFC, 2010.

Ongoing and declared measures to liberalize Belarusian economy have been recently carried out mainly to attract foreign investments. Even though the government strives for building a positive country image among foreign investors, Belarus has moved down in the "Protecting Investors" category of the "Doing Business 2010" ranking from 105 to 109. On a 10 point scale experts have given Belarus 4.7 points for "Strength of investor protection", 5 points for "Extent of disclosure" and only 1 point for "Extent of director liability", which could attest to the privatization process perceived as non-transparent and indicate possible abuse of power by local authorities.