

Analysis and management of the development of recreation, spa, and health tourism in Bosnia and Herzegovina (BiH)

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Abstract

Spa and health resorts in Bosnia and Herzegovina (BiH), along with health tourism, are witnessing an increasing trend in development. They are attracting more guests for treatment and rehabilitation not only from all over BiH, but also from regional and international locations. The aim of this paper is to analyze the facilities provided by recreational spa health facilities in the Republika Srpska (RS) and throughout BiH. It also aims to provide information to potential domestic and foreign investors about the viability of investing in spa recreational health centers in the Republika Srpska/BiH. This approach is believed to encompass the maximum common interests of all functions in the business of spa and recreational health tourism in the Republic of Srpska, and in Bosnia and Herzegovina. When preparing the work, they try to make maximum use of all previous theoretical and empirical knowledge, it should be emphasized that this issue has not been considered theoretically enough in the observed area. This is even more of a motive for research to investigate this area more deeply, and to contribute and create a basis for directing all activities for the improvement of this activity in the coming period. This primarily refers to the fact that it is estimated that investments in spa recreational health centers will significantly affect the faster development of the economy as a whole. The purpose of this research was to determine to what extent there is interest in the use and investment in the development of recreational spa

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and health tourism in the areas of the rs/Bosnia and Herzegovina. The comparative method was used to compare and collect data, which determined potential resources for the development of the mentioned form of tourism. The descriptive method was used to discover cause-and-effect relationships between tourism and spa-recreational health tourism.

Keywords: tourism, potential, spa, management, investments

JEL Classification: G30, L83, P36.

ANÁLISIS Y GESTIÓN DEL DESARROLLO DEL TURISMO DE RECREACIÓN, SPA Y SALUD EN BOSNIA Y HERZEGOVINA (BIH)

Resumen

Los balnearios en Bosnia y Herzegovina (BIH), junto con el turismo de salud, están experimentando una tendencia creciente en el desarrollo. Están atrayendo a más visitantes para tratamiento y rehabilitación no sólo de toda Bosnia y Herzegovina, sino también de lugares regionales e internacionales. El objetivo de este artículo es analizar las instalaciones proporcionadas por los centros de salud de spa recreativos en la República Srpska (RS) y en toda Bosnia y Herzegovina. También tiene como objetivo proporcionar información a posibles inversores nacionales y extranjeros sobre la viabilidad de invertir en centros de salud recreativos con spa en la República Srpska (BIH). Se cree que este enfoque abarca al máximo los intereses comunes de todas las funciones en el negocio del turismo de salud recreativo y de spa en la República de Srpska y en Bosnia y Herzegovina. Al preparar el trabajo se intenta aprovechar al máximo todos los conocimientos teóricos y empíricos previos, cabe destacar que este tema no ha sido suficientemente considerado teóricamente en el área observada. Este es un motivo aún mayor para que la investigación investigue más profundamente esta área y contribuya y cree una base para dirigir todas las actividades para mejorar esta actividad en el próximo período. Esto se refiere principalmente al hecho de que se estima que las inversiones en centros de salud recreativos de spa afectarán significativamente al desarrollo más rápido de la economía en su conjunto. El propósito de esta investigación fue determinar en qué medida existe interés en el uso y la inversión en el desarrollo del spa recreativo y el turismo de salud en las áreas de la rs/Bosnia y Herzegovina. Se utilizó el método comparativo para comparar y recolectar datos, los cuales determinaron recursos potenciales para el desarrollo de la mencionada forma de turismo. Se utilizó el método descriptivo para descubrir relaciones de causa y efecto entre el turismo de salud y spa-recreativo.

Palabras clave: turismo, potencial, spa, gestión, inversiones

Clasificación JEL: G30, L83, P36

1. Introduction

Tourism sector also can help in improving economic growth, also does not damage the environment and vice versa is expected to stimulate environmental conservation. The unification of concepts between several types of tourism is possible. Exercise is one of the basic human needs in living life (Ali Miftahul & Ash Shiddqy, 2019).

The fact is that the state's resources are insufficient and that, turning to the market, the way out must be sought in the quality and differentiation of the offer of health services, from the simplest to the most complex operations. In the process of development of health services, two possible forms of existentially opposite ownership relations crystallized - state and private (Mihajlovic, 2009).

Changes in the habits and lifestyle of people of the modern era, as a consequence of the improvement of the population's standards and the increased participation of machines in the work process, lead to the need for better use of free time. This development also conditions the rapid development of tourism as one of the rising branches and its connection with sports as a ubiquitous phenomenon of modern society. An active vacation, as a need of modern man who lacks physical activity and contact with nature, becomes synonymous with a tourist vacation. Sports recreation and tourism become a dynamic integral phenomenon, and recreational contents find their natural place in tourism (Bogosavac, Jovanović, & Dragosavljević, 2012).

Spa recreational health tourism should become a complex economic activity in the organized use of thermomineral waters and specific climatic conditions in the prevention of diseases, medically programmed active rest, rehabilitation, and recreation. Spa recreational health tourism as a selective form of tourism has the following in mind: • Topicality of the topic; • The necessity of connecting all functions in spa centers that would enable better organization and faster development of spa recreational health tourism in our areas; • Conditionality of changes necessary for adaptation to new market conditions of the economy; • Direct and indirect advantages that are achieved by a more complete use of the available natural resources in the tourist industry; • The increasingly pronounced need of people for this type of service, as an integral part of living and the multiplicative role of this activity in the economic development of the Republic of Srpska (Segić, 2011).

Certain acceleration in society can be clearly seen in the work as well as in the leisure sector. Among other things, working hours are becoming more flexible and the pressure and burden of work is increasing. Many people are aware of the need to take care of their health, especially on holiday. The search for deceleration in an increasingly fast-moving society will be a central pillar (Zarotis, 2020).

2. Literature review

Therefore, tourism as a complex socio-economic activity requires that it be treated with equal importance as a social and as an economic phenomenon, so that the social and economic functions of tourism should have the same value. It is quite acceptable

that one of the basic characteristics of tourism is its semi-functionality. The semi-functionality of tourism consists of functions: health, recreational and entertainment, political, social, and groups of economic functions of tourism (Cicvaric, 1984).

The movement of tourist demand and especially spa-recreational demand in Bosnia and Herzegovina in the post-war period is significantly influenced by war events and all the problems faced by similar countries in the post-war, crisis period. Therefore, a negative image, the perception of an unsafe ruined tourist destination, one that is unable to offer significant contents, are the characteristics of the image of the offer in the field of Bosnia and Herzegovina tourism (Sarajevo Economic Institute, 2008).

The health function of treatment in spas is one of the most important and oldest functions, which is reduced to the medicinal effect on the health and condition of people, and in recent times this has also grown into a tourist activity. As a rule, treatment in spas acts as a preventive measure, and through the developed stage of selective health care, also as a curative measure (Puška, A., *et al.*, 2017).

Tourism in the Federation of Bosnia and Herzegovina (FBiH) is one of the most promising sectors of the economy, which during the past five years has seen significant growth and benefited from the growing global tourism market and the greater number of tourists coming to Bosnia and Herzegovina (BiH) [Federal Ministry of Environment and Tourism, 2022].

The strategy is based on activities and measures that will help create a stimulating environment for the development of tourism, analysis of the needs for human resources and personnel in tourism, and the possibilities of improving education in this sector, development of the tourist product and tourist offer of the Republic of Srpska, but also the development of destination marketing and promotion of the destination at the regional and international level. In the coming period, special emphasis will be placed on the development of rural tourism and tourism related to nature and being in nature, as well as projects for the development of mountain and spa tourism, and all these activities will, in addition to increasing tourist traffic, lead to an increase in the level of employment in Srpska (Tourism Development Strategy, 2022).

Although the oldest and most important form of tourism in spa towns is health tourism, in recent years, in order to attract as many tourists as possible, and thus achieve economic benefits, traditional spa resorts have become modern health-recreational spa centers and centers that nurture other forms of tourism, such as congress, cultural, demonstration, sports, transit and others (Travar, 2018).

On the other hand, the polemics that appeared in the public regarding the reform of the pension system, awakened my intellectual curiosity. The pension plan operates on the principle of current financing of pension benefits from the current contribution of employees and employers, with the intention of forming an appropriate amount of reserves that would ensure the payment of pension rights. The system itself is designed so that insured persons/pensioners with an illness that requires occasional spa treatment have the right to this type of treatment at the expense of the state once a year, more or less frequently depending on the type of illness (Vidovic, 2017).

The main competitors for development and investment in the observed area come from neighboring countries and refer to the following spas: Vrnjačka Banja, Serbia, Sokobanja, Serbia, Banja Koviljača, Serbia, Terme Olimpia, Slovenia, Rogaška Slatina, Slovenia and Tuheljske Toplice, Croatia. The competition refers primarily to the fact that these spas are located relatively close, *i. e.*, all mentioned spas are located in the so-called former Yugoslavia, which was one country before 1991.

3. Research methodology

The present study is a bibliographical study that presents the knowledge on the topic of “recreation, spa, and health tourism in Bosnia and Herzegovina” by a theoretical approach. The methods used in the realization of this work are: descriptive, comparative and theoretical analysis. Descriptive and causal methods were used to discover cause-and-effect relationships between tourism and a selective form of spa recreational health tourism. The comparative method of comparing and collecting data, which determined potential resources for the development of the mentioned form of tourism. The theoretical analysis included the theoretical basis of the research, while the combination of all methods leads to the data for the preparation of this work on spa recreational health tourism, as well as the formation of the final opinion. The aim of this paper is based on the overview of the overall aspiration to understand the importance management of the development of recreation, spa, and health tourism in Bosnia and Herzegovina (BiH). The research was done to compare the situation in the period from 2013 to 2023 including both entities of the state of Bosnia and Herzegovina - Republika Srpska and the Federation of Bosnia and Herzegovina.

3.1 Characteristics of the Observed Areas of the Bosnia and Herzegovina

Bosnia and Herzegovina consist of two entities - the Federation of Bosnia and Herzegovina and Republika Srpska.

During the past decade, tourism has been one of the fastest-growing sectors in Bosnia and Herzegovina. In 2019, Bosnia and Herzegovina had 1.64 million tourist arrivals (an increase of 12% compared to 2018), who spent 2.42 million overnight stays. Of the total number of guests and overnight stays in the Federation of Bosnia and Herzegovina in 2019, about 80% were foreign guests. This was also the best tourist year in Bosnia and Herzegovina. Until the pandemic of the COVID-19 virus, tourism played an important role in the economy of the Federation of Bosnia and Herzegovina, although it is still in the initial stages of development compared to neighboring countries (Federal Ministry of Environment and Tourism, 2022).

Republika Srpska has enormous potential for the development of spa tourism. The high-quality properties of thermomineral and mineral waters, untouched nature, clean air, healthy food, favorable climate and peace make it an oasis for rest and escape from the modern lifestyle. The tradition of treatment with thermal and mineral waters in the Republic of Srpska is long. Various researches and traces of material

culture indicate that the healing properties of these waters were used by the Romans, Austro-Hungarians and Turks during their reigns (Travar, 2018).

The global health and wellness tourism market is worth more than 900 billion dollars. This makes this area an attractive activity that is constantly growing. Republika Srpska has twelve spas, and further development of this sector is planned, following the example of countries like Slovenia, which is a member of the European Union and one of the most developed countries of the former Yugoslavia. These countries have shown that investing in spa tourism brings significant benefits to a country. It is necessary to immediately conduct a financial analysis of investments. The finances themselves will be extensive, and the state should look for the best credit arrangements (Vujinović, 2023).

Based on data from the Statistical Office, annual arrivals and overnight stays in the Republic of Srpska, as far as spas are concerned, constitute 30% of tourist revenue. Meanwhile, in the Federation of Bosnia and Herzegovina, the net bed utilization rate for the type of hotels and similar accommodation was 17.0%. These numbers could grow with investments because spas could be interesting for tourists throughout the year with adequate service and expanded content (Federal Bureau of Statistics, 2024).

3.2 The Area of Republika Srpska

The air spa, a source of thermal mineral water and healing mud, is located near Banja Luka. This spa, which was also used by the ancient Romans, is medicinal, especially for healing sports injuries. Spa “Slatina” is part of the Institute for Physical Medicine and Rehabilitation “Dr. Miroslav Zotović”. This institution is called the pearl of the healthcare system. Banja Slatina generates 10 to 15 percent of its own income, while the rest comes from the Republika Srpska Health Insurance Fund. More inspections are performed annually than planned. Considering the positive numbers, the fact that last year more than five thousand people used the services of the Institute without a referral, which implies that more and more users who come are “tourists”, *i. e.*, at their own expense, the spa management decided to include their services as part of the tourist offer. Further expansion is planned, and the question is the profitability of such investments. Undoubtedly, there is potential. Not only in Slatina, but in numerous other places. A prerequisite for the development of spa tourism is certainly natural potential (Vujinović, 2023).

The next example is the public beach Vrućica, some five kilometers from the center of Banja Luka, located next to the cold Vrbas. It is visited by numerous domestic and foreign guests. They bathe in pools of thermo-mineral water, which helps in the treatment of rheumatological, neurological, cardiovascular, and skin diseases. Not far from Banja Vrućica, the construction of a spa worth 30 million marks is being completed, and there are also plans to invest in the spa in Mlječanica. Investments in the Guber Spa in Srebrenica are awaiting the end of testing the medicinal properties of the water. In the Tourism Organization of Republika Srpska, the potentials are visible.

Investments could grow because the spas could be interesting for tourists throughout the year with adequate service and expanded content.

The potential of thermal springs in the Republic of Srpska is the basis for the development of spa recreational health tourism, and there are twelve spas. They are still in operation with different contents and different infrastructural equipment. Therefore, it is a solid basis for investment, and the water has been pharmacologically tested.

The following table shows a part of the extract/overview of the Study on the temperatures of individual spas in the territory of the Republic of Srpska.

Table 1
x- indication (author research - balneological and pharmacological
institutes of Sarajevo and Zagreb)

<i>Spa - name</i>	<i>Dvorovi-Bijeljina</i>	<i>Kulasi-Prnjavor</i>	<i>Kiseljak Zvornik</i>	<i>B. Laktasi Laktaši</i>	<i>Ljesje- Novi Grad</i>	<i>Seher-Banja Luka</i>
<i>Skin diseases (eczema, psoriasis)</i>						
<i>Diseases of the digestive organs</i>		X	X			X
<i>The pain. Psychosomatic disorder</i>			X	X		
<i>Diseases of the digestive organs</i>		X	X		X	X
<i>Chronic asthma</i>			X	X		
<i>Diseases of the heart and blood vessels</i>	X	X	X	X		
<i>Chronic gynecological diseases</i>		X			X	X
<i>Regenerative rheumatism</i>	X	X		X	X	X
<i>Degenerative rheumatism</i>	X	X		X	X	X

It is necessary to mention the names of other spas in the Republic of Srpska that are not included in this research, which does not diminish their importance in the health spa tourism of the country. These spas are: Guber-Srebrenica, Mljecanica-Kozarska Dubica, Ozren-Petrovo, Slatina-Laktasi, Vilina Vlas-Višegrad, Vrućica-Teslić. The range of diseases treated by these spas is much larger than what is given in the overview of the table, but due to the limitations of this work, an overview of the most common diseases for which patients appear is given.

According to all of the above, it can be concluded that all twelve spas in the republic show that there is potential for further development, but still not enough for a

more complex infrastructural solution of a spa-recreational health center, *i. e.*, tourists' place, which opens up space for foreign investments.

3.3 Area of the Federation of Bosnia and Herzegovina

Prevention, treatment, and rehabilitation in Bosnia and Herzegovina spas are carried out by drinking, bathing, inhalation, evaporation, and poultices, and modern world-famous methods are used such as: kinesiotherapy, hydrotherapy, massage, acupuncture, low and high-frequency pulse therapy, and other therapies. Numerous natural springs have been processed in geological, hydrogeological, and physical-chemical terms, and next to them, there are stationary facilities for the needs of health tourism (Gata, Kladanj, Tuzla, Olovo, and other spas). There are a significant number of sulfur springs and the most famous of them are the Ilijan Thermal Sulfur Springs. The thermal radioactive water of Fojnica has good results in the treatment and complementary treatments of muscle diseases, and in this natural spa, there are very beautiful health facilities, and their greatest value is the numerous high-quality medical specialists (Spa tourism in Bosnia and Herzegovina: Healing since the time of the Romans, 2017).

The Federation of Bosnia and Herzegovina has fifteen spas, and further development and investment in this activity is planned. As stated in the FBiH Tourism Development Strategy, challenges are listed within the incentive environment where the main actors in tourism are identified. Some of them are: Different regulations at different levels of government - state, federal, cantonal, and municipal; Absence of a tourist board at the federal level; Absence of tourism development strategy at federal and state level; Inadequate labor force and gender segregation that hinders the efficient use of available human resources; Large informal sector (gray economy); Lack of significant investments in tourism (especially in infrastructure); Difficult access to the finances of tourist companies; Unclear and weak regulatory and institutional system for the realization of public-private partnerships; Not all cantons have formulated their concrete tourism development strategies; The need for harmonization of cantonal and federal tourism development strategies (Federal Ministry of Environment and Tourism, 2022).

In the next part of the paper, an overview of several spas from the territory of the Federation of Bosnia and Herzegovina is given.

The Spa Recreation Center "Aquaterm" is located in the very center of the city of Olovo. The center has 60 rooms with 130 beds, and 12 double rooms with 24 beds, a restaurant with a summer garden with a capacity of 320 people, three offices, a seminar hall with a capacity of 80 people, and a hall for recreation. Therapies used in Aquaterm refer to the use of oligomineral healing water. Thermomineral water in therapeutic procedures is used in three ways: baths, inhalation, and drinking.

Spa Iliidza from Gradacac - the mineral water of this spa is used in treatment and rehabilitation. All other physical therapies are also used in the Center. In this spa, therapies are applied for the following diseases: metabolic diseases (diabetes, gout),

rheumatic diseases (inflammatory, degenerative, extra-articular), gynecological diseases, neurological diseases (stroke, sciatica, nerve lesions).

Banja “Reumal” Fojnica is an institution specializing in rehabilitation, recreation, active rest, and programmed sports activities. The Center also provides the following services: rehabilitation of athletes and sports injuries, medical rehabilitation of the locomotor apparatus, cardio rehabilitation, children’s habilitation, and rehabilitation. The spa has also developed a Wellness program for healthy living.

Regarding increasing the volume of investments and improving access to finance in FBiH: Banks consider this sector risky and require high guarantees. In addition to insufficient readiness, banks also lack sufficient technical capabilities or awareness to provide adequate services to this sector, and therefore focus only on a small portion of large companies, often owned by investors with income from other industries. Interested parties in tourism indicated the need for special support. It is necessary to realize activities such as: promotion of existing Government guarantee programs, *i. e.*, funds intended for the tourism sector in order to reduce the risk of credit institutions to the lowest level. The Development Bank of the Federation of BiH already has a guarantee program that is largely unused. Creating a list of priority opportunities for investment and creating an investment promotion plan, creating a master plan for the needs of investment in tourism in the entire territory of FBiH during this strategic period; make a detailed list of available investment opportunities in tourism; create an investment guide intended for potential investors, which will include regulations and steps related to company registration and obtaining permits, etcetera. (Federal Ministry of Environment and Tourism, 2022).

4. Conclusion

At the end of this paper, it can be concluded and recommended that for most spa places, in terms of development, it is necessary to do the following: it is a priority to solve the infrastructural problems of the location, conduct additional research and testing of the source, complete regulation plans for tourist places, specialize in medical health services and medically programmed active vacations, construct new and adapt existing accommodation facilities with the necessary physical therapy and recreational facilities, as well as personnel profiles in medicine, kinesiology, sports, tourism.

Namely, everything needs to be adapted to the needs of the spa recreational health tourism area that covers the whole of Bosnia and Herzegovina, which consists of the two entities of Republika Srpska and the Federation of Bosnia and Herzegovina. Because the current capacities of about thirty spas and health resorts in a relatively small geographical area with a relatively small population of about three million inhabitants constitute a very large potential for the development of this area as a whole. This means that the state of Bosnia and Herzegovina, due to its good transit position and rich nature, is becoming an increasingly important destination for the development of such forms of tourism.

On the other hand, it is of great importance to implement a reform program based on competitiveness with the aim of encouraging the growth of the tourism sector. Develop an annual sector competitiveness program and sector policy documents that will indicate legal and regulatory obstacles and priority reforms. The public-private reform program in the field of policies will serve the purpose of continuous improvements of the legal framework in accordance with the latest requirements of the market and the private sector. Harmonize laws and regulations on tourism between FBiH and cantons.

Create guidelines/guides for business entities in tourism. Improve the statistical system and harmonize it with European and international standards (cooperate in creating TSA). Introduce E-tourism to collect data in the tourism sector. The research should be repeated after 2025, *i. e.*, 2027, in order to see the effects of the given tourism development strategy in the specified period. The purpose of this research was to determine to what extent there is interest in the use and investment in the development of recreational spa and health tourism in the areas of the RS/Bosnia and Herzegovina.

It can be concluded that there is interest in investment by foreign investors, however the political climate in the country is not good which automatically changes the desire of investors for further investments in this area.

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