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SUSTAINABLE TOURISM IN THE FUNCTION OF ECONOMIC DEVELOPMENT OF THE REPUBLIC OF SERBIA

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Abstract

Future development of tourism should be in line with sustainable development. The Republic of Serbia receives the most tourism inflows from the countries with the biggest tourists' arrivals and overnight stays in the Republic of Serbia. However, a significant discrepancy between tourism inflows and outflows has a negative impact on the economic development of Serbia. This paper aims to investigate the possibilities for eliminating these inconsistencies in line with developed countries and sustainable tourism development. The research method is based on the ranking of countries according to the mentioned criteria and mutual comparison. Tourism development of the Republic of Serbia lags behind developed countries, considering the limited importance tourism has for economic development, as well as the negative balance of inflows and outflows from tourism. That is why the economic dimension of sustainable development has the greatest discrepancies in sustainable tourism development, in relation to the ecological and social aspects, bearing in mind the significant cultural heritage and minor pollution from tourism in the Republic of Serbia.

Key Words: *sustainable tourism, economic development, Republic of Serbia*

JEL classification: *O18, O44, Z30, Z32*

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Introduction

The term sustainable tourism emerged in the late 1980s. Despite tourism's relative youth, this sector has seen a rapid shift from an initial focus on economic benefits to recognition of wider sustainability implications (Budeanu et al., 2016).

The concept of sustainable tourism development is becoming more current. Although there are differences between the concept of sustainable tourism and sustainable tourism development, the most important is that sustainable tourism should be in accordance with the principles of sustainable development, i.e. economic, ecological and social development (Sharpley, 2000). Sustainable tourism is defined as all types of tourism that contribute to sustainable development (Liu, 2003).

Sustainable tourism is a type of tourist economy that has a minimal impact on the environment and local culture, and at the same time enables to earn money, creates new jobs, protects local ecosystems and population, as well as preserving the natural and cultural heritage (Ubavić, 2015). Sustainable tourism development meets the needs of current tourists while protecting and increasing opportunities for the future (Liu, 2003).

The subject of the paper is the ranking of the countries with the biggest tourism inflows and the countries with the biggest tourists' arrivals and overnight stays in the Republic of Serbia (RS), and establish whether there is a match between them, as well as observing the economic, ecological and social dimensions of sustainable tourism.

The aim of the paper is to eliminate the mismatch between tourism inflows and outflows, with the purpose of sustainable tourism development, as well as a greater contribution to the economic development of the Republic of Serbia, following the example of developed countries.

The importance of sustainable tourism for economic development

Sustainable tourism development is of great importance for economic development, poverty reduction, efficiency and productivity (Li et al., 2018). This importance is especially highlighted in developed countries, considering that economic development in them is connected with the

expansion of tourist activities. This calls into question the concept of sustainable tourism development as a driving force of economic development for developing countries (Cárdenas-García et al., 2013). In fact, in those countries there is no significant evidence that tourism contributes to economic development. Therefore, an economic policy is needed to promote sustainable tourism development as a driver of economic development (Ekanayake & Long, 2012).

Table 1: *Gross value added, by activities in RS, structure in %, 2022*

A Agriculture, forestry and fishing	6.5
B Mining and quarrying	2.7
C Manufacturing	13.5
D Electricity, gas, steam and air conditioning supply	2.7
E Water supply; sewerage, waste management and remediation activities	1.1
F Construction	5.5
G Wholesale and retail trade; repair of motor vehicles and motorcycles	12
H Transportation and storage	3.5
I Accommodation and food service activities	1.7
J Information and communication	5.1
K Financial and insurance activities	3.2
L Real estate activities	6.9
M Professional, scientific and technical activities	3.7
N Administrative and support service activities	2.1
O Public administration and defence; compulsory social security	3.8
P Education	3.2
Q Human health and social work activities	4.5
R Arts, entertainment and recreation	1.1
S Other service activities	1.1
T Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	0.1
U Activities of extraterritorial organisations and bodies	/

Source: *SORS (2022)*

Tourism in RS, observed through accommodation and food service activities, in relation to other economic activities, achieves one of the smallest shares in economic development (Table 1), which speaks of the insufficient tourism development in RS. Such a state of tourism development is unsustainable in the long term, especially bearing in mind that the contribution of tourism to economic development in EU countries is significantly higher than in RS, as well as it is higher compared to other economic activities (Dimitrijević et al., 2022).

There is a connection between economic development, environmental indicators and sustainable tourism development. The share of renewable energy sources in the total energy consumption (ecological indicators) and the number of tourists (tourism indicators) provoke the growth of GDP per capita (economic development). In addition, the number of tourists could decrease due to the increase in greenhouse gas emissions. That is why sustainable tourism contributes to economic development (Pimonenko et al., 2021). In countries where tourism is promoted as a driver of development, green tourism should be the way to it, so that the development process is sustainable (Marsiglio, 2015).

H1: If tourism development in RS is coordinated with developed countries, in the direction of sustainable tourism development and greater promotion of cultural heritage, inflows from tourism and its contribution to economic development can be increased.

The research hypothesis will be examined by observing the economic, ecological and social dimensions of sustainable tourism. The hypothesis research method consists of the ranking of countries important for the sustainable tourism development in RS, according to various criteria, as well as their mutual comparison. Based on the comparative method and qualitative analysis, certain recommendations will be established.

The economic dimension of sustainable tourism

Tourism is an important global industry. Considering the goods and services offered to tourists, tourism is considered a key factor in local and economic development (Noonan & Rizzo, 2017).

The economic success of the destination depends on the overall level of quality of the products and services it offers in order to achieve sustainable growth. Destination quality is based on the economic dimension that refers to the strategy of economic development (Mira et al., 2018). The tourism sector is often associated with attractive places worth visiting, attracting tourists, providing jobs and expanding the local area. However, there is an increasing emphasis on sustainable tourism and the balancing between the economic, ecological and social dimensions of sustainable tourism (Janusz & Bajdor, 2013). The following table shows the countries that contribute the most in terms of tourism inflows in RS.

Table 2: *Countries with the biggest contribution in terms of tourism inflows in RS, in mln. euros*

2007-2021				2022			
Country	Inflows	Outflows	Balance	Country	Inflows	Outflows	Balance
Bosnia and Herzegovina	2035	285	1750	Russian Federation	302	44	258
Montenegro	1118	897	221	Bosnia and Herzegovina	293	57	236
Germany	980	999	-19	Turkey	207	398	-191
Slovenia	825	399	426	Germany	119	157	-38
United Kingdom	727	283	444	Montenegro	111	147	-36
USA	662	267	395	North Macedonia	101	34	67
Croatia	642	483	159	Croatia	97	81	16
Switzerland	609	262	347	China	87	34	53
North Macedonia	586	164	422	Romania	82	18	64
Austria	482	481	1	Slovenia	78	70	8
Total	14174	14992	-818	Total	2474	2356	118

Source: NBS (2022)

The highest tourism inflows in the period 2007-2021 in RS were achieved from Bosnia and Herzegovina, Montenegro and Germany, while in 2022 it was the Russian Federation, Bosnia and Herzegovina, Turkey, Germany, Montenegro, North Macedonia, etc. (Table 2).

 Table 3: *Tourists' arrivals and overnight stays in RS, by country of origin, 2022*

Country	Arrivals	Share	Country	Overnight stays	Share
Bosnia and Herzegovina	148773	8.39	Russia	594194	12.03
Turkey	125602	7.09	Turkey	442591	8.96
Russia	123425	6.96	Bosnia and Herzegovina	342730	6.94
Germany	105792	5.97	Germany	242481	4.91
North Macedonia	92046	5.19	North Macedonia	213481	4.32
Croatia	89860	5.07	Montenegro	207589	4.20
Bulgaria	81661	4.61	Croatia	189410	3.83
Montenegro	80656	4.55	China	186252	3.77

Slovenia	78532	4.43	Other African countries	185375	3.75
Romania	74590	4.21	Romania	174367	3.53
All countries	1772763	69.78/100	All countries	4939394	70.47/100

Source: *SORS* (2023)

According to tourists' arrivals and overnight stays in RS, the following countries are the most important: Bosnia and Herzegovina, Turkey, Russia, Germany, North Macedonia, Montenegro, etc. (Table 3). These countries stand out both in terms of tourists' arrivals and overnight stays. Also, the most significant tourism inflows for RS are generated from these countries.

However, even though these countries, with the most tourists' arrivals and overnight stays in RS, generally contribute to the highest tourism inflows, it is definitely insufficient considering that with many of these observed and other countries, RS achieves a negative balance of tourism inflows and outflows, which further results in a negative overall and long-term tourism balance, in period 2007-2022 (Table 2), as well as negative implications both on the sustainable tourism development and economic development of RS.

The ecological dimension of sustainable tourism

Any development, including tourism, should be in accordance with the preservation of the environment and resources. Bearing in mind the increasingly pronounced climate changes, the importance of environmental sustainability is increasing, so countries are increasingly harmonizing with the European Green Deal and green development. That is why it is important to generate as little waste as possible into the environment, which is shown in the following table.

Table 4: *Waste generated by sections of the RS classification of activities, structure in %, 2022*

Agriculture, forestry and fishing	0.05
Mining and quarrying	94.41
Manufacturing	0.61
Electricity, gas, steam and air conditioning supply	3.74
Water supply, sewerage, waste management and remediation activities	0.55
Construction	0.38
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.15

Transportation and storage	0.03
Accommodation and food service activities	0.01
Information and communication	0.00
Financial and insurance activities	0.00
Real estate activities	0.01
Professional, scientific and technical activities	0.00
Administrative and support service activities	0.01
Public administration and defence; compulsory social security	0.01
Education	0.02
Human health and social work activities	0.01
Arts, entertainment and recreation	0.00
Other service activities	0.00

Source: *SORS (2023)*

It can be seen from Table 4 that tourism in RS, observed through accommodation and food service activities, in relation to other economic activities, is among the smallest polluters. Further tourism development in RS should be in accordance with ecological standards that can contribute to sustainable tourism.

Sustainable tourism includes green energy, infrastructure, agriculture, smart technologies, etc. Considering the amount of tourism CO₂ emissions and high tourist's growth rates, its contribution to climate change is not small compared to the contribution of all other sectors. In order to change that, significant transformations of tourism are necessary. In accordance with the Sustainable Development Goals (SDGs) and the broader 2030 Development Agenda, tourism should provide a significant contribution to the achievement of sustainable development. The transformation of tourism towards sustainability requires an interdisciplinary approach to implementation (Pan et al., 2018).

The social dimension of sustainable tourism

The social dimension of the sustainable tourism development is largely neglected and mainly viewed through the ecological and economic dimensions. It can be seen as social friendly tourism and linked to a specific location and culture, i.e. society, community and good quality of life (Nugraheni et al., 2019). The social dimension of sustainable tourism should be in line with heritage tourism (Nugraheni et al., 2020). Socio-cultural attitudes of the local community, i.e. preserve social, traditional and cultural heritage of the area has great importance for sustainable

tourism, creating new jobs, preserving heritage, etc. (Janusz, & Bajdor, 2013). RS has significant natural and cultural patrimony under international protection, as shown in Table 5 below. It has a significant role in the socio-economic development of tourism in RS.

Table 5: *Natural and cultural patrimony in RS under international protection*

UNESCO World Heritage List	Ramsar sites
Stari Ras – Monastery of Sopoćani (1979)	Obedska bara (1977)
Studena Monastery (1986)	Ludoško jezero (1977)
Gamzigrad-Romuliana, Palace of Galerius – 2007	Stari Begej - Carska bara (1996)
Medieval Monuments in Kosovo and Metohia (2004): Monastery of Dečani -2004 Peć Patriarchate – 2006 Gračanica Monastery – 2006 The Church of the Holy Virgin of Ljeviš – 2006 Stećci – Tombstone Graveyards (2016)	Slano Kopovo (2004)
Biosphere reserves	Labudovo okno (2006)
Golija – Studena Monastery (2001)	Peštersko polje (2006)
Bačko Podunavlje (2017)	Gornje Podunavlje (2007)
Five-country Biosphere Reserve Mura-Drava-Danube (2021) (Austria, Croatia, Hungary, Serbia, Slovenia)	Vlasina (2007)
Geoparks	Zasavica (2008)
Djerdap (2020)	Koviljsko-pertovaradinski rit (2012)
	Djerdap (2020)

Source: *SORS (2023)*

Culture is regarded as a key asset in tourism development by promoting cultural heritage, cultural events, festivals, etc., that may determine the competitiveness of tourism destinations (Mousavi et al., 2016). Through the commercialization of cultural heritage, it contributes to the realization of economic and social benefits, while respecting the principles of sustainable development (Podovac et al., 2016).

Based on these conclusions, the research hypothesis was confirmed that if the development of tourism in RS is aligned with developed countries, i.e. in the direction of sustainable tourism development and greater promotion of cultural heritage, tourism inflows can increase and improve the economic dimension of sustainable tourism development, as well as achieve a greater contribution to economic development.

Conclusion

Bearing in mind the importance of sustainable tourism for economic development, it is necessary to adopt tourism development strategies that will be sustainable. Due to insufficiently developed tourism in RS, especially from an economic perspective and the impact on economic development, RS should coordinate the development of tourism with developed countries, where tourism contributes significantly to economic development. Those countries place special emphasis on the sustainability of development, and in that context, on green tourism as a driver of sustainable tourism development.

RS should remain at low rates of pollution from tourism, but should significantly improve its economic and social dimensions through promote cultural heritage. This is one of the ways that RS can develop tourism sustainable, which will be reflected in the greater importance of tourism for economic development, in line with developed countries.

One of the main limitations of the paper is the short period of research, as well as not observing all observed indicators. Future research should include a wider period of observation, as well as a comparison of all dimensions of sustainable tourism development in RS with developed countries, where tourism is more important for economic development. Also, the research can be expanded by empirical analysis and examination of the impact of the observed dimensions of sustainable tourism development on economic development.

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