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RURAL TOURISM AS A DIVERSIFICATION FACTOR OF TOURIST DESTINATION OFFER

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Abstract

The incorporation of rural tourism in the overall tourism destination is a serious strategic shift and must contain a clear sequence of moves and predetermined key steps. The paper points to the modern trends in the development of rural tourism and offers comparative examples of destinations with developed rural tourism. The basic forms of partnership and financing arrangements for rural tourism will then be defined. Finally, the initial potentials will be presented and further measures for the development of rural tourism in the Kotor area as a destination within whose tourist offer there are adequate preconditions for its development.

Key Words: *rural tourism, destination, tourist strategy, partnerships.*

JEL classification: Z3

Definition of rural tourism

The present-day literature offers various typologies of rural tourism. They range from those basing their definition on the notion of area, which define tourism as an activity "taking place in a rural area", to those focusing on a tourism product which integrates a wide range of activities and elements, such as recreation and rural activities environment, enjoying the rural environment, enjoying nature and the beauty of landscapes, the cultural tourism, tourism in rural households, etc.

However, the concept of rural tourism is based on the following suppositions:

Rural tourism can be defined as the country experience "which encompasses a wide range of attractions and activities that take place in agricultural or non-urban areas" (Government of Alberta, 2010).

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Rural tourism is seen as the broadest term that includes all tourism services / activities / types of tourism within rural areas, including, for example, hunting tourism, fishing tourism, tourism in nature parks, winter tourism, ecotourism, health tourism, cultural tourism, etc.

Rural tourism is not necessarily complementary activity within the economic branch that generates additional income, but it can also be a professional activity (e.g. a small family hotel, a horse center, etc.).

Furthermore, despite its broad meaning, the notion of a rural area is not precisely defined; it includes the areas characterized by natural environment, rural environment, small settlements and villages, hamlets, isolated agricultural economy, agriculture and forestry as main industries (Ministarstvo turizma Republike Hrvatske, 2011).

Rural tourism integrates various forms of tourism activities such as (Ministarstvo trgovine, turizma i usluga Republike Srbije, 2005):

- Agrotourism, rural farms, farms - tourists observe and participate in traditional agricultural works,
- Activities in nature - recreation and rest (hunting, fishing, riding, cycling, hiking),
- Eco-tourism - tourism that supports the protection of natural resources,
- Rural experience - tourists are involved in everyday rural life,
- Cultural tourism - tourists learn about culture, history, archeology and other characteristics of the rural area,
- Other combined forms of tourism of special interest - events, festivals, outdoor recreation, production and sale of local souvenirs and agricultural products, etc.

Rural tourism is most often perceived and valued by tourists as the second or third holiday option and lasts for up to 10 days.

The integrated rural tourism product is mostly seasonal and peak demand is in the spring (March - May) and autumn (September - October). The price is remarkably flexible (Univerzitet Singidunum, 2007).

The development of rural tourism in relation to strategic development documents and official legislation

Development of rural tourism in relation to strategic development documents

Development of rural tourism in relation to the Master Plan-Strategy for the Development of Tourism of Montenegro until 2020

Master Plan - Strategy for the Development of Tourism of Montenegro to 2020 schedules the development of rural tourism and agro-tourism under the measure 3.2 Development and improvement of specific tourism products, with the following level of integration (Strategija razvoja turizma Crne Gore do 2020. godine, 2008):

- with integration into the host family (language barrier),
- with observing animals and taking care of them,
- consuming local foods and beverages,
- with a romantic charm of rural traditional architecture,
- with the infrastructure for free activities for practicing active holiday,
- with appropriate comfort - but without hotel service, and
- having in mind the above mentioned - with favorable prices.

The main potential target group of agro-tourism is city families with children coming from the mother-tongue market. For international markets, however, this offer is inappropriate if language barriers persist.

Despite the request for collecting their own agricultural products, the traditional rural image is the core of agro-tourism offer.

In cases when the complex itself lacks in natural attractions and experiences, the very environment must fully provide for it. Regardless of the product quality offer and traditional architecture, a real chance for success would be missed unless agro-tourism offer fulfills the requirements of providing both children and adults with enjoyment.

What should be especially borne in mind is that the Boka Kotorska Cluster, with Kotor as a tourist destination, is not foreseen as a generator of rural tourism development.

Development of rural tourism in relation to the Strategic Plan for Development of the Municipality of Kotor 2013 – 2017

The Strategic priority No. 2: IMPROVING ECONOMIC ACTIVITIES, i.e. measure 4: Development of rural tourism focuses on the forecasts of rural tourism development. It is primarily aimed at designing and developing the study of the preservation and valorization of rural areas within tourism programs. The study should include:

- Analysis and evaluation of the situation of rural tourism capacities,
- Preparation of appropriate standards and categorization,
- Educating rural hosts, and
- Encouraging and presenting autochthonous products.

The final goal of the project is to develop the revitalization plan for the villages in the Kotor Municipality and create economic conditions for social development and, furthermore, to activate local potentials and increase the motivation of the rural population to develop and regulate the rural area as a long-term perspective (Opština Kotor, 2012).

Development of rural tourism in relation to official legislation

According to the current Law on Tourism in Montenegro, rural tourism is based on the following supposition:

1. The notion of rural tourism (Tourism Law of Montenegro, 2010):
 - (1) Tourist services in rural tourism are provided for leisure and recreation of tourists and include activities related to agricultural households (harvesting of fruits and vegetables, harvesting of the summer crops, horse riding, etc.);
 - (2) Tourist services in rural tourism shall be provided in accordance with the principles and practice of sustainable development.
2. Activity:
 - (1) Tourism services in rural tourism may be provided by companies, legal entities and entrepreneurs, as well as individual entities - farmers, who are engaged in agriculture either on their own or as members of a family farm household.
 - (2) A member of a family agricultural household shall be a member of an agricultural household according to the law regulating agricultural holdings.
 - (3) Prior to the beginning of the tourist activity in a rural household, the persons referred to in Paragraph 1 of this Article shall be obliged

to submit the application form to the local government authority in charge of economic affairs according to the place of performance of the activity, for keeping records in the register of records, within at least eight days prior to commencement of work.

(4) The application form referred to in Paragraph 3 of this Article shall be accompanied by evidence of entry in the register of agricultural households.

(5) In the case of provision of accommodation and food services at the agricultural household, the facilities must meet the minimum technical requirements concerning the equipment, in accordance with the regulation on classification, minimum technical conditions and categorization of catering facilities.

(6) The form and content of the application form and register of applicants' records on the provision of tourist services in rural tourism, then the content and manner of keeping the register shall be prescribed by the Ministry.

(7) The data from the register of records referred to in Paragraph 6 of this Article shall be submitted to the Ministry, for being recorded into the Central Tourist Register, within eight days from the day of filing the application form.

3. Service delivery termination

The activity of providing tourist services in the rural household shall cease upon:

- cancellation of service provision;
- deleting from the register of agricultural households; or
- expiration or termination of the lease agreement of the agricultural household.

Modern trends in the development of rural tourism and comparative examples of developed rural tourism destinations

Rural tourism can help economic growth, employment generation, out-migration, public services' development, infrastructural developments, social contact, and protection of the environment. Rural tourism facilitates access to remote and non-urban areas. In that sense, successful examples of specific destinations are presented as a benchmark with Austria (Horwath and Horwath Consulting Zagreb, 2009).

1. Concept of standardization

There is no mandatory classification and standardization of households; however, the conditions for classification and quality standards are given by the National Federation of Rural Tourism Austria supported by relevant ministries.

The law prescribes only minimum prerequisites for a household / farm to be registered for rural tourism activity. There are 150 conditions elaborated in detail regarding the quality standards for evaluation of the quality of a farm / household, comfort and services in the household; they are further divided into the following units:

1. quality of the farm / household - includes the position of the household, the production on household, existence of a garden, way of waste management;
2. quality of furnishings - refers to the arrangement of interior intended for guests' use: rooms, sanitary facilities and bathrooms, living room, dining room, energy saving, etc.;
3. quality of additional services - includes room service, experience farms, recreational activities, etc.

Each of the 150 standards is scored so that the classification (category) is dependable upon the number of gained points. A household can get the maximum of 250 points.

The households are marked by a Margarite flower (Margerite).

All households are labeled with 2 - 4 margaritas (2 - lowest category, 4 – highest category). The households (agropans) that have the capacity to accommodate more than 30 guests are additionally marked with the sign of the house next to the Margarita:

- minimum requirements for 2 Margarita category: minimum 140 points, favorable and functionally arranged accommodation as well as the entire household. One toilet, bathroom and shower on the floor;
- minimum conditions for 3 Margarita category: minimum 170 points, comfortably arranged accommodation as well as the whole household. Most rooms or apartments have en-suite toilet, bathroom and shower. The household is completely surrounded by peace and tranquility.
- minimum requirements for 4 Margarita category: minimum 200 points, accommodation facilities in a separate building, well equipped

and very comfortable (room size). Each accommodation unit, room or apartment has en-suite private bathroom, toilet and shower.

2. Types of households

The category Urlaub am Bauernhof (agrotourism) is prescribed by Law, but with regard to the specificity of providing tourist services, or orientation of households for specific services, the National Federation thematically divides households into the following (marketing) types:

- biological farms / households (bio-production),
- farm / household wellness,
- baby & child friendly farms / households,
- farms / households with organized riding,
- wine farms / households,
- farm / households adapted for people with special needs (disabled),
- bike (cyclist) friendly farms / households,
- farms / households specializing in the maintenance of seminars,
- farms / households specializing in the collection of medicinal and aromatic herbs.

3. Implementation of standardization process

Standardization and classification are carried out by the National Federation for its members. Control is carried out every two years by a commission of consisting of three members proposed by the National Federation.

Apart from checking the fulfillment of conditions and recommended criteria, the members of the commission (controllers) also have an advisory role, i.e. provide advice to the households in terms of both standards and business activities and marketing.

If the household wants to be classified and certified, it submits the application form or a request to the National Federation. Based on control, a household receives a certificate of quality followed by household classification (Margarita number).

The control of households, or certification, is carried out biannually.

Models of partnerships and means of financing with regard to the rural tourism development

Public-private partnership

A public-private partnership is considered one of the most suitable systems for development of tourist potentials of rural regions. This attitude is supported by the following arguments (Đurđević Lukić, 2011):

1. A tourist product is a set of public and private products and services, which means that the tourist offer does not only determine the services offered by tourism companies (accommodation, food, entertainment, transportation), but also the infrastructure, health and education system, public services security, etc.
2. The success of the private sector in a tourist destination is linked to all the above mentioned elements, for which the public administration is responsible.
3. Tourism is an activity that plays an important role in the sustainable development and integration of rural areas in the national and international economies, but it cannot be developed solely on the basis of actions of private entrepreneurs.
4. Sustainable position on the tourism market depends on the way in which a destination achieves an integrated management of tourist quality in relation to the three main components: tourism offers, the local community and the environment.
5. Rural tourism is, on the one hand, unfolding in a natural environment of a certain high value, and, on the other hand, in a community that is very specific and sensitive in a social sense.
6. As a rule, local administration does not have necessary resources and opportunities to take one-sided responsibility in making individual decisions concerning the development of a tourist region.
7. It is necessary to jointly shape and promote a tourist identity.
8. Public-private partnerships enable the public sector a significant benefit from the commercialization of tourism products and services, as well as from the dynamic growth of employment that tourism carries with it.
9. The growth of private sector activities will increase consumption, investment and innovation, and strengthen and expand the network of business partnerships at the local level. The local community, in such circumstances, benefits from taxes, land value growth and the growth of local population standards.

Agenda 2000 is thus prompting a new generation of rural development programs, both within the existing EU and in the accession countries. These programs are not standardized, in that governments are free to choose the features within the EU 'menu' that they wish to pursue. Moreover, many of the governments have their own rural development programs, in addition to those which are part-funded by the EU (European Summer Academy for Sustainable Rural Development, 2003).

The development of rural tourism based on the IPA program

The IPA comes from the Instrument for Pre-Accession, and as we can conclude from the name itself, it is a program aimed at enhancing the activities and efforts that a candidate country makes in the pre-accession period for membership in the Union.

IPA has 5 components (Učilište Algebra, 2013):

1. Transition Assistance and Institution Development
2. Cross-border cooperation
3. Regional development
4. Human resources development
5. Rural development.

This is a hybrid program, which, in contrast to its predecessors (CARDS, PHARE, ISPA, SAPARD), is according to certain properties, more advanced or more similar to structural funds and is therefore considered a better instrument for preparing for membership. One of the main objectives of the IPA program is to serve as a kind of exercise for all involved in the use of the future system of structural funds.

a. IPA V - Rural Development and Rural Tourism Development

Rural development is a special area of the IPA program, which has continued from the previous period to the SAPARD program, and under the terms of membership it is transferred to the so-called Common Agricultural Policy (CAP). The funds from this component as a rule are fully managed by the Ministry of Agriculture and Rural Development.

The development of rural tourism within the IPARD program, measure 302, allows us investing in the following activities that are eligible for co-financing (Bosnić, 2012/2013):

- Construction and / or reconstruction of apartments, rooms, sports recreation facilities, swimming pools, horse riding facilities and halls, facilities for freshwater fishing, sales areas within the winery, campsites, facilities for preparing and serving food and beverages, for tourist purposes, marking paths and roads, old traditional houses and commercial buildings, sanitary facilities, access for disabled people, parking lots.
- It is possible to finance the purchase of equipment for the purpose of developing rural tourism, from equipment for rooms and suites, for sports grounds, for preparing and serving food and beverages, riding equipment, feeders and animal drinkers, fishing platforms.

Initial potentials and further measures for the development of rural tourism in the area of Kotor

Natural potentials for the development of rural tourism in the area of Kotor

The interest in dealing with rural tourism is constantly increasing with regard to the existence of still attractive and "untouched" rural areas with a definite way of life, culture and customs, a great need to preserve such areas, giving the population the possibility of income through tourism services and the preservation of the original services and products by creating offers for a different holiday.

Thereby rural tourism strongly builds on the specific rural world's features and comprises a continuum of different forms of tourism subject to the region/location where it is taking place (Neumeier & Pollerman, 2014).

Every project in this sense is more than welcome and every farm that based its services and products on quality and authenticity, individual approach and creativity, can expect a good market penetration.

For this, it is necessary to satisfy certain conditions. The first and basic condition for the development of rural tourism is a natural potential. In the hinterland of Boka Kotor Bay, natural potentials for the development of rural tourism can be considered ideal, where a special role is played by the Mediterranean climate, which does not limit rural tourism activities only to the summer season.

The Kotor municipality is located in Montenegro, in the Bay of Kotor, which occupies a specific position in the Adriatic Sea and represents the most diverse part of the southeastern part of the Dinaric Littoral. It is composed of four smaller bays that interconnect one another (the Bay of Herceg Novi and the Bay of Tivat, which comprise the outer part, and the Risan and Kotor bays, which make up the inner part) and two breakthroughs, the first connecting the open sea with the Bay of Herceg Novi and the other (Chains) connecting Tivat with the Risan and Kotor bays.

In the southeastern corner of the Bay of Kotor, where the sea is 29.6 km long, the city of Kotor (42 ° 26'N 18 ° 46'E) is located, which is the seat of the Municipality, the cultural, educational, scientific, health, business and sports center. The territory of the municipality includes a belt of open sea in the length of 25.6 km (from the Bigovo Bay on the border of the municipality of Tivat to Jaz Island) and the coast of the inner Kotor-Risan Bay, 47.6 km long. Kotor is on the south-east side of dangerous limestone massifs of the mountain Lovćen, surrounded on the northwest by the branches of the mountains of Orjen, Radostak and Dobroštica.

Near Kotor there are also two peninsulas, Vrmac and Devesinjsko, which separate the vertex of Verige.

The Municipality of Kotor (33,500 ha) is surrounded by the area of branches of Lovćen and Orjen massifs, and includes the mountain area of Krivošija with Dragaljsko polje, the area around the Kotor-Risan-Morinj Bay, the ridge of Vrmac and the branches Lovćen, Donji and Gornji Grbalj with fertile areas and the coastal area of the open sea. Mountain wrecks spread alongside the shoreline dividing the municipality area in several parts.

The main potentials are:

- exceptional geostrategic position,
- good traffic connections (airport, port),
- unique cultural and historical background,
- dynamic landscape, sea and environment,
- variety of climate in a small area, oases of high-quality soil for processing,
- and old-day settlements of great ambience value, as elements for a highly developed tourism offer.

This rich difference is concentrated in the Kotor municipality, the potential and quality are worth keeping and improving.

Plan of activities and proposed measures of the local tourist organization in terms of improving the development of rural tourism

In order to get acquainted with the concept of rural tourism, the significance and way of developing rural tourism, that is, individual rural tourism products and opportunities that this type of tourism offers today, local residents have to be informed and referred to the options at their disposal. They should be informed how to register, with whom, how to register their activities, how they can present or advertise their own rural product.

One of the biggest problems for the development of rural tourism in Kotor is that the interested entities find it difficult to obtain valid information on this topic. Therefore, there is an immediate need to prepare a Handbook for rural tourism in the territory of the Kotor municipality that will rely on the existing Montenegrin legislation, by-laws and municipal decisions. The aim of such a publication would be to explain to the potential worker in the field of rural tourism in one place all the conditions that need to be met in order to begin to work in rural tourism, as well as all the possibilities for incentives and support.

In order to develop all the activities related to rural tourism and assist citizens or businesses wishing to engage in rural tourism, a local education center should be opened or, at least, supported.

In order to continuously work on these activities and to help citizens and businessmen develop their own rural tourism capacities, it would be desirable to organize the opening of an ethnographic setting that would represent an extraordinary tourist attraction, offering tourists the opportunity to experience the past of these areas by getting acquainted with items of furniture and objects used in life and work of the local population for centuries.

It is, then, necessary to provide space arrangement (sightseeing) where it is possible to spend a short or longer stay in nature with a view of the sea and the surrounding hills. Furthermore, a children's playground and a picnic zone should be conceived on one of the municipal plots in the villages. It is known that there is the lack of green areas and parks within

the city, so it would be very interesting for both tourists and the local population to provide this additional content in one of the villages located at a few kilometers distance. The park should be in an attractive location in green environment with natural shade. The mobile and game inventory should be made mostly from tree in order to better adapt to the environment. The picnic area must contain benches, tables and a clearly marked part where it is possible to organize a barbecue. Within the park and the picnic area, there should be a sufficient number of waste bins. With the anticipation of an increase in the number of tourists in the rural area of Kotor, adequate information support for tourists should be developed. Wooden cottages should be made in villages where the Tourist Organization would have a representative who would offer free brochures, magazines, maps and other necessary information for guests.

Activities:

- relations with the media press conferences,
- round tables, TV and radio programs,
- education of persons involved in the project,
- production of promotional materials (leaflets, brochures, informers, etc.),
- web campaigns,
- engagement and training of officers,
- preparation of annual work plans,
- preparing and completing forms,
- connecting citizens and businessmen from the territory of Kotor municipality with similar subjects in the country and abroad,
- preparation of the necessary planning documentation,
- preparing a project design,
- obtaining necessary permits,
- construction works and landscaping of the observed areas for rural tourism,
- introduction of a free internet zone on the viewpoints, and
- maintenance.

Potential partners:

- Ministry of Tourism and Sustainable Development
- Ministry of Information Society and Telecommunications
- Local government
- Non-governmental organizations from the country and abroad that deal with the development of rural areas and rural tourism.

Expected results:

- better information of the local population, businessmen and investors about the possibilities for development of rural tourism, advertising of their capacities and informing tourists about the possibilities for arrival and stay and the rural area of the Kotor as well as the activities that they can do during their stay;
- a better and healthier life for the local population, especially children;
- space for children's animation and opportunities to get acquainted with nature.

Promotion of Kotor as a separate part of the Montenegrin coast rich in cultural heritage and tradition:

- protection of agricultural products and other autochthonous foods produced in the countryside;
- encouraging the development of rural tourism;
- increasing the workforce and living standards of the local population;
- encouraging domestic production;
- reduction of imports of products and budget deficits.

Integral findings and expectations should be in line with statements of Demonja and Ružić that the main goal of rural tourism should be to raise the quality of life and to prevent depopulation, taking on the requests of the demand, but also in the rural areas, the state of social and economic security, i.e. full equality with urban residents. (Demonja & Ružić 2010). Mihailović and Simonović pointed out following benefits of rural tourism development, which also can be applicable in the observed case (Mihailović & Simonović 2016):

1. increase the employment of the local population,
2. additional income for rural households,
3. development of production and service activities,
4. prevent migration at the village-city level,
5. protection and preservation of natural and cultural heritage and
6. integral development of rural areas.

Final considerations

Despite the fact that the Master Plan - Strategy for the Development of Tourism of Montenegro until 2020 - does not foresee the development of rural tourism, natural potentials and modern tendencies within the tourist

destination of Kotor, as well as some comparative examples impose a call for it. It also requires the development of the current Development Strategy of Kotor Municipality. Therefore, a retrospective is given from the definition of rural tourism, through the foundation within the legal legislation from the field of tourism to comparative examples of successful concepts of rural tourism development and eventually potential sources of financing that would enable sustainable development of this type of tourism.

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