

**3<sup>rd</sup>**  
**International**  
**Scientific**  
**Conference**

**31 May - 2 June, 2018**  
**Vrnjačka Banja, Serbia**

**2018**

**TOURISM**  
**IN FUNCTION OF DEVELOPMENT**  
**OF THE REPUBLIC OF SERBIA**

**Tourism in the Era of Digital Transformation**



**THEMATIC**  
**PROCEEDINGS**  
**II**



**UNIVERSITY OF KRAGUJEVAC**  
**FACULTY OF HOTEL MANAGEMENT**  
**AND TOURISM IN VRNJAČKA BANJA**



# POTENTIAL AND PERSPECTIVES OF RURAL TOURISM IN DEVELOPMENT OF THE SERBIAN ECONOMY: CASE STUDY – VOJVODINA FARMSTEADS

*Nikola Vidović<sup>1</sup>; Hatidža Beriša<sup>2</sup>;*

## **Abstract**

*Farmsteads, as an innovative form of rural tourism, represent an important segment of the Serbian economy, providing tourist products and services to consumers, both domestic and foreign. The economic contribution of farmsteads in rural tourism is valued through activity in terms of efficiency and economy of operations, quality and competitiveness of tourist offer available to users.*

*The paper focuses on the valorization of the influence of the farmsteads' tourist offer on the economic development of the Republic of Serbia and the analysis of the economic potential of the development of products and services in actual resource capacities. Through the indicators of ratio analysis, their real economic position is shown.*

*Identifying similarities and differences the performance of the analyzed farmsteads from the area of Vojvodina within the time interval 2014-2016 will highlight positive examples and perspectives for the further sustainable development of rural tourism.*

**Key Words:** *development, Serbia, tourism, farmsteads, perspectives, financial analysis*

**JEL classification:** *M21, L83, Q18*

## **Introduction**

Nowadays tourism has become and represents one of the main initiators and engines of the development of the economy, globally, in many countries around the world, given the existing global competitive conditions characterized by continuous development of existing capacities

---

<sup>1</sup> Nikola Vidović, MA student, Military academy – University of Defence, 069/1441994, nik.vidovic.94.jf@gmail.com

<sup>2</sup> Hatidža Beriša, PhD, Military academy – University of Defence, berisa.hatidza@gmail.com

and opening of new available for tourism service consumers and tourists, through which countries create opportunities and basis for new jobs and what impacts the growth trend in the employment of the country, also the growth of the GDP (Vidović & Dželetović, 2018). The World Tourism Organization (WTO) defines sustainable tourism as a principle that, on the one hand, meets the needs of tourists and the needs of a tourist destination, and, on the other hand, protects and enhances tourism opportunities for the needs of future generations; satisfies the needs of today's tourists as well as the host region, while simultaneously protecting and enhancing development potentials (Bramwell et al, 1998). Development of rural areas in Europe, especially in the Republic of Serbia, as a potential engine of whole country's economy, has been in focus of attention of professional and scientific public within the last twenty-five years. Rural areas in many countries of Europe, as in Serbia, have important influence on potential development as main resource areas and goal points for consumers. The main producers and suppliers of food, SME (small and medium enterprises) by expanding their business and tourism offer to wide consumers can make a brand of their product and services (Andrić et al, 2010).

In the economic field, the multiplicative function of tourism is based on the activities of circulating spending on tourism spending in various branches of the economy, with an impact on its flow and development that continues after the stage in which the consumption of resources has already made its basic circulation, from the place of their creation to the city of their consumption. It is a continuous process, the launching of new or increasing of existing economic activities in the function of tourism through the spill-over of income from the "hands-on" of business entities (Gajić, 2010).

The farmsteads in Vojvodina until the recent past were one of the important characteristics of the way of life and the work of their inhabitants. Farmsteads' tourism is a specific market niche of a special type of tourism known as rural tourism, which showed growth trend in our country over the past decade (Čurčić et al, 2010). It is a special way of life and economic wages that has become characteristic for Vojvodina agriculture. Looking through the history of the number of farmsteads and their inhabitants, we can conclude that the production of livestock and agricultural products was very important for the supply of major cities in their vicinity. The largest concentration of farmsteads in Vojvodina lies in Bačka, near the cities like Subotica, Sombor, Srbobran, Čeneja, Bečej

(Todorović & Bjeljic, 2007) but there are also farmsteads in Banat and Srem, only to a lesser extent. Farmsteads in Vojvodina are monuments of the traditions and cultures of people who lived in this region and as such, they represent at the same time an exceptionally good basis for the development of rural tourism, because they retain the authenticity of the time in which they were built with the culturological ethno-points of this region an interesting tourist attraction. They also have accommodation capacities and offer a wide range of gastronomic products in this region, and the location on which they provide a tourist destination worth visiting. One of the basic features of modern tourism in the countryside is the merging of a culturological-traditional with modern content. Rural tourism on farmsteads is characteristic of the region of northern Serbia, that is Vojvodina, and it represents a special type of rural tourism, so in recent years these specific economic and residential buildings have become a very popular tourist destination and an actor for both domestic and foreign clients or tourists. What constitutes the basic potential of rural tourism farmsteads is that there are two types of tourist offerings, which are the first tourist stay on former farmhouses that have been reconstructed for the needs of tourism with active participation in life and work on the same, and as second newly built tourist and catering facilities in the name of the carnival, and which, in addition to ethno, traditional and cultural elements, contain contemporary facilities such as gym, spa wellness programs, swimming pools, congress halls and sports grounds (Banić Grubišić & Antonijević, 2013).

### **Methodological apparatus and aim**

The methodological basis for the research into the work includes the coverage and application of the statistical data and assessments in analyzing the perspectives, impacts and potentials of rural tourism in the development of the economy of the Republic of Serbia. A special focus and focus is placed on the salons from the area of the Autonomous Province of Vojvodina, in order to see and highlight the potential strategic directions of development of tourist destinations and the capacities of that region of our country in order to achieve sustainable development. The methods used in the paper are of a deductive nature, with a comparative, qualitative and quantitative basis.

The performance of the business and the financial position of the selected sample of ten farmsteads from the territory of the Autonomous province of Vojvodina, using publicly available published financial reports of the

Business Registers Agency in the period from 2014 to 2016, will be shown in order to examine their real economic influence on development of Serbian economy. The comparative financial analysis that will be presented in the paper also aims to highlight the profitability level of these subjects and their contribution to rural tourism (Vidović & Dželetović, 2018). Market focus and integral promotion of the tourist content of the countryside through well-organized marketing and clearly defined tourist aspects, and then implementation thereof should be the starting point for further development, which would contribute to the overall development of the economy of the Republic of Serbia.

### **Substrate for analysis**

In Serbia, it was noted that rural tourism was developing in the late seventies and early eighties of the past century as an organized activity aimed at affirmation of agricultural holdings, strengthening the economic structure of rural areas and enriching the traditional tourist offer with new contents (Čomić, 2002). Rural tourism, or agrotourism, is a part of the concept of multifunctional agriculture as a segment of rural development within countries. It is an integral part of a rural tourism activity that forms a framework and summarizes the activities and relations related to travel, activities and stay of people for rest, leisure, excursions, fun, business. Rural tourism has become extremely important for both the local and national economies of our country, as according to statistical data in the last decade it brings a significant percentage of income in the GDP of the tourism sector of Serbia. The development of agrotourism contributes to the faster improvement and other activities related to it, as well as the development of other economic sectors with which it has a correlation such as agriculture, industry, cultural institutions, hospitality subjects (Pejanović & Vujović, 2008). Based on the reputation of the developed countries, Serbia has established special organizations and agencies that promote tourism, and on the basis of continuous monitoring of tourist demand and offers in the area of Vojvodina, which is in the focus of work, at the same time it aims to establish a sustainable economic policy for the purpose of development of capacities, and that, on the basis of scientific and statistical research and testing of the tourism market, a concrete contribution to the improvement of the existing state of tourism.

Rural areas through agriculture and business activities offer to the market agricultural-food products, forest fruits, products made of wood and household products, they are also leisure, tourism, recreation resorts, and

places for living in general. The opportunities on farmsteads are open for new, non-agricultural activities and services, which will be qualified offer. It is quite important that rural tourism enables diversification of activities at agricultural estates or in their surroundings for the purpose of acquiring alternative revenues and increase of income, which has direct influence on development, and economy of the Republic of Serbia. In our country, all human needs, such as family, economic, educational and cultural can be satisfied in rural communities which are also seen as socially desirable communities (Andrić et al, 2010).

Table 1: *SWOT analysis of rural economy in the Republic of Serbia*

| Strength  | Weaknesses   |
|---|--|
| The availability of human resources   | Inactive labor market and lack of financial resources  |
| Rich cultural heritage  | Poor rural infrastructure and insufficient quality of rural roads  |
| Availability of natural resources with specific microclimate conditions   | Poor economic development of rural areas   |
| Significant share of farmsteads in agriculture with potential for growth  | Adverse demographic trends and social structure  |
| Attractive landscape for rural tourism and the existence of good practice in the same and accompanying activities | Lack of adequate advisory services and access to professional and business training of potential service providers                 |
| Opportunities   | Threats  |
| Effective use of EU IPARD II funds  | Climate change and unforeseen natural disasters  |
|   | The weakening of already limited human resources by constant displacement of the population  |
| Potential demand for traditional agricultural products from these regions   | Increasing poverty in rural areas  |
|   | Growing gap between rural and urban areas  |
| Potential demand for tourist services and holiday services offered in rural areas                                 | Long time process of obtaining building permits and incomplete process for legalization of construction in some villages and towns |

Source: *Ministry of agriculture forestry and water economy, IPARD program for the Republic of Serbia for the period 2014-2020*  
<https://ipard.co.rs>

The performed analysis of strengths, weaknesses, opportunities and threats shows that there are enormous forces, but also weaknesses for the development of tourism itself, and of the entire economy in the coming period. Based on this and the previous strategy of tourism development, the latest strategy for the period 2016-2025 has been applied for two years now in the economy of the Republic of Serbia and it is necessary to determine which strategic competitive advantages the economy of the Republic of Serbia has, where it can create an adequate tourism economy, influencing the development of the entire economy (Ministry of Agriculture, Forestry and Water Economy). Potentials in Serbia's strategic development, for future success in rural tourism, and rural tourism as an integral part of the same are:

- a rich archeological and architectural heritage, which contributes to the cultural-historical significance and testifies to the specifics of the civilizations that lived on the territory of the present territory of the Republic of Serbia, and especially the highly-valued historical and artistic heritage of Serbian medieval castles, monasteries and archaeological sites;
- which is significant from the aspect of their valorization as specific and unique tourist attractions and destinations;
- openness, hospitality and positive attitude of the population towards tourism, which is extremely valuable to the user of tourist conditions;
- then, the geostrategic position of Serbia on the borders of historical cultural circles, with a central reference to Belgrade, a city on two great rivers, which represents an exceptionally attractive tourist metropolis of Southeast Europe;
- a great untapped potential of waters, both the surface and underground, plus the richness of thermal springs and spas, which in combination create a special tourist offer in this part of Europe;
- the area of agrarian areas, vineyards, hunting-fishing zones, which creates a recognizable image of Serbia;

On the other hand, there are certain issues of strategic shortcomings with which the Republic of Serbia faces, and for which adequate solutions must be found by both state and local authorities of Vojvodina and by the local self-governments to make Serbia better positioned in the tourism market and in more challenging competition conditions. Some of the basic shortcomings and strategic weaknesses are the following: in the international tourism market, Serbia does not have enough knowledge as a destination for tourism as a tourist destination, and as a potential

solution, adequate and full promotion of the same would be imposed, with the creation of a national tourist brand and formulation of internationally commercialized products and services from our climate. Subsequently, insufficient cooperation and coordination between ministries and relevant stakeholders in tourism in the Republic of Serbia, and still insufficiently articulated and established spatial-urban regulation of most current and potential tourist destinations and centers, insufficient protection and maintenance of major national, natural and cultural resources / attractions, illegal construction, as well as non-enforcement of laws, control and penal policy in environmental incidents (Ministry of Agriculture, Forestry and Water Economy). Connection in the form of traffic and tourist interest areas of the same, such as low-cost airlines, a small number of modern highways, and the abandonment of the existing regional and rural, which directly affects the accessibility to certain tourist attractions, and considering from the aspect of rural tourism, this has a huge impact on the accessibility of contents. Finally, there is a lack of internationally qualified hotel and tourist managers, staff in new tourism occupations (animation, entertainment, events, theme parks, interpreting centers, etc.), as well as low labor mobility and the inefficiency of the employment system (seasonal work, flexible working hours, etc.).

Summarizing the potentials and identified weaknesses or shortcomings of our country, Serbia should strive to take the initiative under the auspices of competent ministries and to actively work on building its own recognizable and required competences in tourism with a special emphasis on rural tourism, offering customers and tourists a different product offer and services that would represent a combination of attractive natural, historical, cultural and social content. By establishing the right image, Serbia would join the program of sustainable tourism development, which in the long term would stimulate its influence on the overall transfer and development of the Republic of Serbia by employing the population, solving the evident unemployment problem, especially in rural areas, while strengthening the infrastructure and positioning in the world.

### **Statistical overview of the impact of rural tourism on economic development**

The contribution of rural tourism shows significant effects in the development of the rural economy, which are reflected directly through the growing economic activity of the entire economy in the Republic of

Serbia, and at the same time the Autonomous Province of Vojvodina and that rural tourism has a perspective and great potential for further development. There are exceptionally good examples as well as significant experiences in rural tourism in the Autonomous Province of Vojvodina, followed by other regions of our country, such as Central and Western Serbia. Observing the entire territory of the Republic of Serbia, estimates indicate that the number of available beds in rural farms available to service users and tourists, both registered and unregistered, varies from thirty to thirty five thousand. According to estimates, rural tourism is estimated at RSD 10 billion annually, representing around 15% of the total direct GDP tourism in the Republic of Serbia, according to the data for 2010 of the World Tourism Organization. Marketing and content promotion, and at the same time the destination of rural tourism should influence the synergy between rural, cultural-social and natural products and services and products of rural tourism, but the real situation is not so (Ministry of Agriculture, Forestry and Water Economy, 2017).

In the Republic of Serbia, there is insufficient emphasis on certain contents of rural tourism and tourist activities by tourist agencies, and it has been found that there is insufficient interest in both the regional market and international, in accordance with the potential of the offer and services. Problems are noticed in poorly set offer, because the whole package of products and services of rural tourism, which includes and combines rural tourism activities, food, transport, accommodation and sightseeing of tourist destinations, are not promoted, whereas all of these products and services are offered partially. Service users are not yet fully available booking accommodation and Internet payment, which is a trend in the world for the purpose of faster operation (Ministry of Agriculture, Forestry and Water Economy, 2017). It is important to emphasize that it is of great importance for rural tourism and tourism in general in our country to include the Republic of Serbia in two macro-regional strategies - the Danube Strategy of the EU and the EU Strategy for the Adriatic-Ionian Region. Through the IPARD II program and projects in it, the identification of specific strategic priorities within the action plans can be performed, with the realization of which began with the definition and the adoption of the Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025 by the Government of the Republic of Serbia, which is extremely positive and convenient for the aspect of rural tourism that is in the focus of our research in this paper (Ministry of Trade, Tourism and Telecommunications, 2016).

Table 2: *Analysis of annual data of arrivals and overnights of service users/tourists in the period 2005-2016*

| Business year |                    | 2005      | 2006    | 2007    | 2008    | 2009    | 2010    |         |
|---------------|--------------------|-----------|---------|---------|---------|---------|---------|---------|
| Region        | Vojvodina          | Domestic  | 6499352 | 6592622 | 7328692 | 7334106 | 6761715 | 6413515 |
|               |                    | Index     | 100,0   | 101,4   | 112,8   | 112,8   | 104,0   | 98,7    |
|               |                    | Foreign   | 5295051 | 5391913 | 5853017 | 5935219 | 5292613 | 4961359 |
|               |                    | Index     | 100,0   | 101,8   | 110,5   | 112,1   | 100,0   | 93,7    |
|               |                    | Total (Σ) | 1204301 | 1200709 | 1475675 | 1398887 | 1469102 | 1452156 |
|               |                    | 100,0     | 99,7    | 122,5   | 116,2   | 122,0   | 120,6   |         |
|               | Republic of Serbia | Domestic  | 734878  | 723370  | 834487  | 880942  | 762115  | 767304  |
|               |                    | Index     | 100,0   | 98,4    | 113,6   | 119,9   | 103,7   | 104,4   |
|               |                    | Foreign   | 164959  | 174218  | 230696  | 231468  | 222518  | 217026  |
|               |                    | Index     | 100,0   | 96,4    | 105,9   | 114,0   | 94,7    | 96,6    |
| Total (Σ)     |                    | 569919    | 549152  | 603791  | 649474  | 539597  | 550278  |         |
|               | 100,0              | 105,6     | 139,9   | 140,3   | 134,9   | 131,6   |         |         |
| Business year |                    | 2011      | 2012    | 2013    | 2014    | 2015    | 2016    |         |
| Region        | Vojvodina          | Domestic  | 6644738 | 6484702 | 6567460 | 6086275 | 6651852 | 7533739 |
|               |                    | Index     | 102,2   | 99,8    | 101,0   | 93,6    | 102,3   | 115,9   |
|               |                    | Foreign   | 5001684 | 4688485 | 4579067 | 3925221 | 4242172 | 4794741 |
|               |                    | Index     | 94,5    | 88,5    | 86,5    | 74,1    | 80,1    | 90,6    |
|               |                    | Total (Σ) | 1643054 | 1796217 | 1988393 | 2161054 | 2409680 | 2738998 |
|               |                    | 136,4     | 149,2   | 165,1   | 179,4   | 200,1   | 227,4   |         |
|               | Republic of Serbia | Domestic  | 756723  | 758981  | 928606  | 929604  | 994314  | 1123923 |
|               |                    | Index     | 103,0   | 103,3   | 126,4   | 126,5   | 135,3   | 152,9   |
|               |                    | Foreign   | 278655  | 296309  | 373829  | 380738  | 410915  | 463907  |
|               |                    | Index     | 83,9    | 81,2    | 97,3    | 96,3    | 102,4   | 115,8   |
| Total (Σ)     |                    | 478068    | 462672  | 554777  | 548866  | 583399  | 660016  |         |
|               | 168,9              | 179,6     | 226,6   | 230,8   | 249,1   | 281,2   |         |         |

Source: *Statistical Office of the Republic of Serbia, Statistical yearbook of Republic of Serbia, <http://www.stat.gov.rs>*

### **Performances of business success of farmsteads in Vojvodina**

Comparative financial analysis of business success and profitability farmsteads emphasizes and valorizes the market potential of existing tourist capacities farmsteads in Vojvodina, as well as services and products that offer it. It is important to point out that there is an excellent resource base for rural tourism, as well as for development of the same, which would contribute to the development of the economy of the Republic of Serbia.

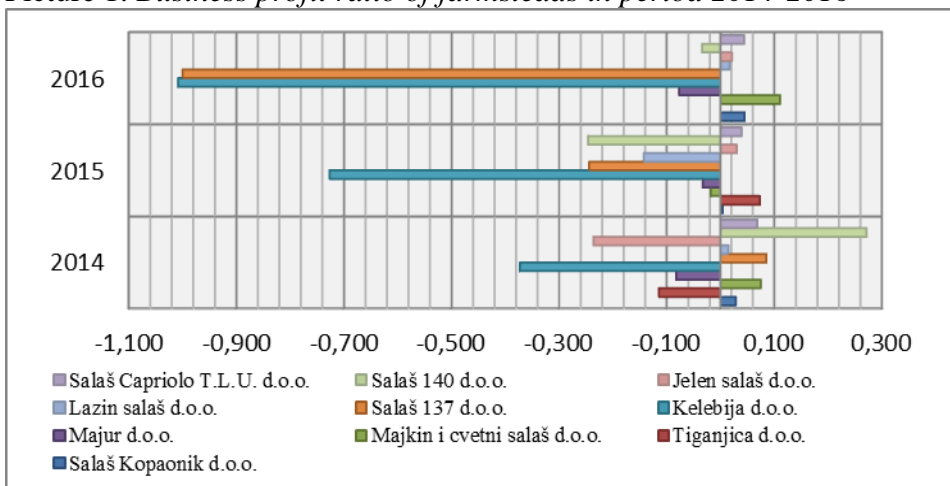
The importance of farmsteads is reflected in the fact that they have the foundation so that no investment funds are required in terms of building new ones since the capacities exist, and at the same time they offer a rich content of the tourist offer, but it is important that the basic step should be in the formation of the desired set of tourism products based on which the farms will be recognized as a Serbian brand that will improve Serbia's competitive position in the international tourism market.

Table 3: Analysis of business success of farmsteads in period 2014-2016

| No.            | 1                          | 2                | 3                            | 4            | 5               | 6                | 7                  | 8                  | 9                | 10                           |       |
|----------------|----------------------------|------------------|------------------------------|--------------|-----------------|------------------|--------------------|--------------------|------------------|------------------------------|-------|
| Region         | V o j v o d i n a          |                  |                              |              |                 |                  |                    |                    |                  |                              |       |
| Village / city | Novi Sad                   | Novo Mliševo     | Hajdukovo                    | Kelebija     | Subotica        | Čenej            | Čenej              | Palić              | Palić            | Bačka Topola                 |       |
| Farmstead      | Salaš Kopaonik d.o.o.      | Tiganjica d.o.o. | Majkin i cvetni salaš d.o.o. | Majur d.o.o. | Kelebija d.o.o. | Salaš 137 d.o.o. | Lazin salaš d.o.o. | Jelen salaš d.o.o. | Salaš 140 d.o.o. | Salaš Capriolo T.L.U. d.o.o. |       |
| INDICATOR      | Business profit ratio      |                  |                              |              |                 |                  |                    |                    |                  |                              |       |
| Business year  | 2014                       | 0,028            | -0,114                       | 0,075        | -0,083          | -0,373           | 0,085              | 0,015              | -0,236           | 0,271                        | 0,068 |
|                | 2015                       | 0,004            | 0,073                        | -0,018       | -0,033          | -0,727           | -0,245             | -0,143             | 0,030            | -0,246                       | 0,039 |
|                | 2016                       | 0,044            | -0,001                       | 0,110        | -0,077          | -1,008           | -1,000             | 0,017              | 0,021            | -0,034                       | 0,044 |
| INDICATOR      | Return on Equity ( R O E ) |                  |                              |              |                 |                  |                    |                    |                  |                              |       |
| Business year  | 2014                       | 1,177            | 1,714                        | 0,325        | 0,008           | 0,017            | -0,001             | -0,183             | 0,467            | 1,132                        | 0,574 |
|                | 2015                       | 0,740            | 3,371                        | 0,005        | 0,014           | 0,001            | -0,104             | -0,183             | 0,239            | -0,988                       | 0,288 |
|                | 2016                       | 0,759            | 6,029                        | 0,220        | 0,011           | 0,002            | -0,064             | 0,032              | 0,128            | -0,594                       | 0,166 |
| INDICATOR      | Return on Assets ( R O A ) |                  |                              |              |                 |                  |                    |                    |                  |                              |       |
| Business year  | 2014                       | 0,091            | -0,382                       | 0,091        | -0,018          | -0,137           | 0,152              | 0,040              | -0,156           | 0,218                        | 0,143 |
|                | 2015                       | 0,027            | 0,414                        | -0,014       | -0,010          | -0,214           | -0,076             | -0,324             | 0,021            | -0,295                       | 0,076 |
|                | 2016                       | 0,201            | -0,002                       | 0,077        | -0,025          | -0,244           | -0,081             | 0,036              | 0,019            | -0,027                       | 0,065 |

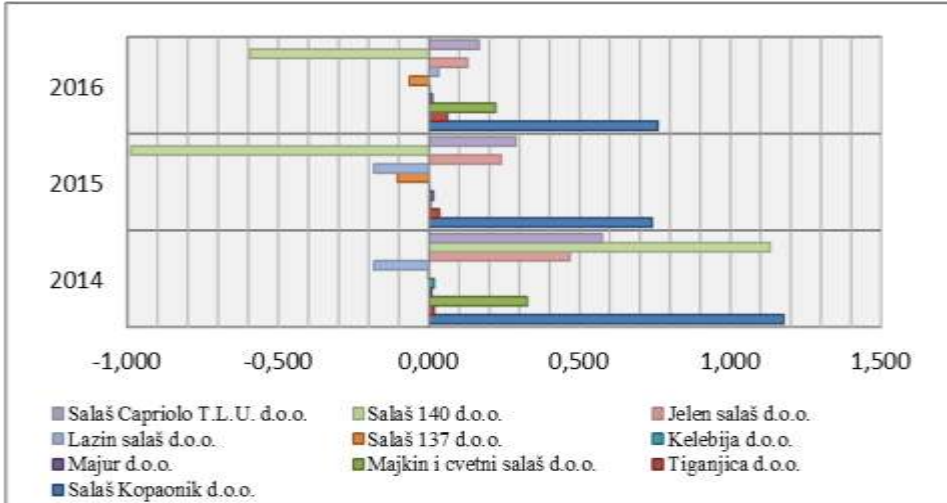
Source: Authors' calculation

Picture 1: Business profit ratio of farmsteads in period 2014-2016



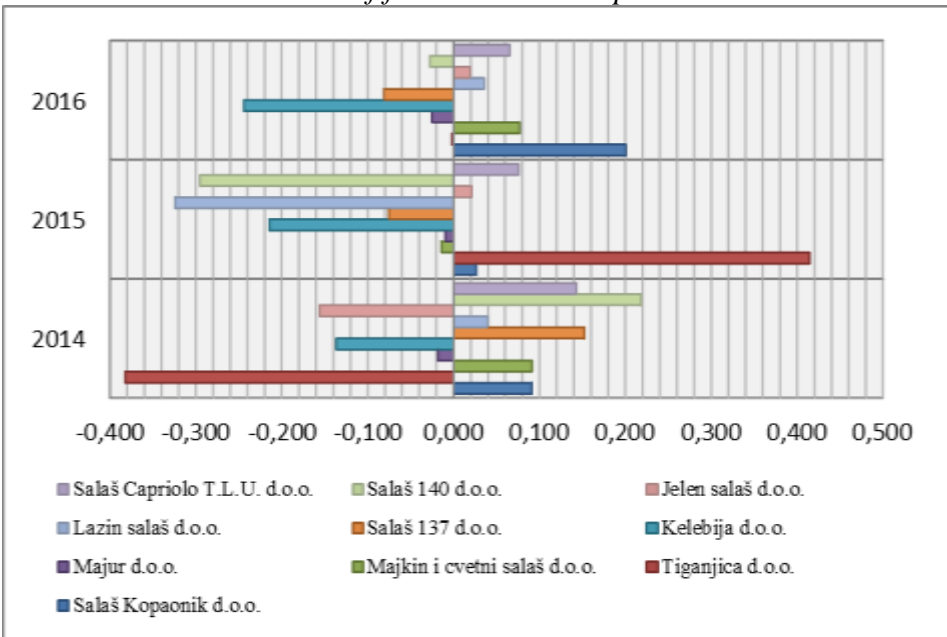
Source: Authors' calculation

Picture 2: *Return of equity of farmsteads in the period 2014-2016*



Source: *Authors' calculation*

Picture 3: *Return on assets of farmsteads in the period 2014-2016*



Source: *Authors' calculation*

As we can see on the observed farmsteads, there is a great degree of variation in all three indicators that show business success and the degree of profitability. The conclusion is that it is precisely the reason why there is a great differentiation, and that entities use exclusively their own funds

or unfavorable sources of financing. Therefore, the state and the local self-government should be directly involved in the program of assistance to rural tourism entities in order to be more receptive to the national fund for tourism development, and at the same time the funds of IPARD funds. The studied meeting has an extremely high potential, and some of the observed farmsteads achieve enviable positive results, which also influence the development of the economy of the country.

The Autonomous Province of Vojvodina has significant potential and perspectives for sustainable tourism development with a special focus on rural tourism, first of all regarding the potential of the countryside, with very preserved natural resources and anthropogenesis. In this sphere, different rural areas offer a fruitful and positive basis for further planning, making concrete business solutions and activities. Great opportunities offer a wide range of different tourist activities that come from the capacity for further sustainable development of rural tourism in Vojvodina, through creative programs that will organize all levels of tourist potential vertically and horizontally.

Table 4: *Comparative analysis of tourist arrivals and overnights in the Republic of Serbia as a whole and the Autonomous Province of Vojvodina in the period 2006-2015*

| Region             |                 | Vojvodina        |            | Republic of Serbia |            | Serbia/Vojvodina (%) |            |
|--------------------|-----------------|------------------|------------|--------------------|------------|----------------------|------------|
| Indicator Forecast |                 | Tourist arrivals | Overnights | Tourist arrivals   | Overnights | Tourist arrivals     | Overnights |
| Real state         | 2006            | 245600           | 668200     | 1645485            | 5609437    | 6,70%                | 8,39%      |
|                    | 2015            | 413332           | 994314     | 2437165            | 6651852    | 5,90%                | 6,69%      |
|                    | Difference      | 167732           | 308114     | 791680             | 1042415    | -                    | -          |
|                    | Index 2006/2015 | 168              | 145        | 148                | 119        | -                    | -          |
|                    | % Growth        | 68               | 45         | 48                 | 19         | -                    | -          |
| Moderate growth    | Estimate        | 917000           | 3209500    | 5504300            | 15000000   | 6,00%                | 4,67%      |
|                    | 2015            | 413332           | 994314     | 2437165            | 6651852    | 5,90%                | 6,69%      |
|                    | Difference      | -503668          | -2215186   | -3067135           | -8348148   | -                    | -          |
|                    | Index 2006/2015 | 45               | 31         | 44                 | 44         | -                    | -          |
|                    | % Growth        | -55              | -69        | -56                | -56        | -                    | -          |
| Ambitious growth   | Estimate        | 1099500          | 348400     | 6607500            | 17636000   | 6,01%                | 50,62%     |
|                    | 2015            | 413332           | 994314     | 2437165            | 6651852    | 5,90%                | 6,69%      |
|                    | Difference      | -686168          | -2490086   | -4170335           | -10984148  | -                    | -          |
|                    | Index 2006/2015 | 38               | 29         | 37                 | 38         | -                    | -          |
|                    | % Growth        | -62              | -71        | -63                | -62        | -                    | -          |

Source: *Ministry of Trade, Tourism and Telecommunications, Strategy for tourism development of the Republic of Serbia for the period 2016-2025, www.mtt.gov.rs*

Due to the problems faced by farms and farmsteads, as rural tourism holders in Vojvodina, they must find adequate assistance from the state and use the resources of the national and IPARD funds as an investment financial drive for further development. This should become the main and leading interest of all actors in this sector, from service providers and products, as well as from clients and tourists themselves, both from abroad and from Serbia (Vuković et al, 2009).

If we look at the current state and positioning according to the data presented by the World Travel and Tourism Council, Serbia realizes the direct contribution of Travel & Tourism to GDP was 97.3bn RSD, 2.3% of total GDP in 2016 and to rise by 5.3% pa, from 2017-2027, to 165.4bn RSD, 2.9% of total GDP in 2027. The total contribution of Travel & Tourism to GDP was 280.6bn RSD, 6.7% of GDP in 2016 (World Travel and Tourism Council).

What is very important is the contribution of the tourism sector to employment, because it is the fact is that one of the priority strategies of the Republic of Serbia is the reduction of unemployment and the direct engagement of the working-age population, which also influences the development of Serbia's economy. The situation is such that in 2016 Travel & Tourism directly supported 38,000 jobs (1.9% of total employment). This is expected to fall by 2.9% in 2017 and rise by 1.2% to 42,000 jobs (2.1% of total employment) in 2027. By indicators in 2016, the total contribution of Travel & Tourism to employment (World Travel and Tourism Council), including jobs indirectly supported by the industry was 5.0% of the total employment (99,500 jobs).

The advantages of the tourist offer of rural tourism in Vojvodina, with a focus on farmsteads, are that there are accommodation capacities, in the form of already existing or newly built accommodation facilities, catering offer in the form of a wide choice of dishes and drinks authentic for the Vojvodina region, as well as those from Serbia, and a large number of activities that can be practiced during one-day or several-day excursions, depending on the tourist organization. On the other hand, there are also weaknesses that are reflected in the modest tourist offer of domestic products with farmsteads, then a modest offer of souvenirs, but also bad tourist signaling and pathways leading to farmsteads, and poor representation of internet sites of these tourist facilities that can to get the fastest and get better. For the purpose of improving the quality and quantity of tourist services for farmsteads in Vojvodina, which would also

contribute to the development of rural tourism, and in a more global way directly influence the development of Serbia's economy, the level of quality of accommodation capacities should be raised by the state and the levels of local self-government should create educational programs for owners of farmsteads to improve the tourist offer and provide better products and services to clients or tourists. Then, from the state aspect, perform an intensive promotional performance at home, as well as in the regional and international market, because farmsteads in Vojvodina as a tourist resource represent and have many potential attractive attributes, which make this northern part of the Republic of Serbia very unique, specific and recognizable (Košić et al, 2014). By valorizing the tourist potential of farmsteads, and by improving the existing condition defined by the IPARD II programs and the Tourism Development Strategy, not only domestic, but also the demand of foreign tourists will increase.

### **Conclusion**

The Republic of Serbia does not have an adequate development of rural tourism in accordance with the resources it has at its disposal, and most rural tourism entities do not realize satisfactory revenues, which is the case with some of the observed farmsteads. A significant reason for this is the failure to use the rich treasury of traditional agro-food products with a geographical indication for marketing purposes, as well as unused funds from national funds and now available IPARD funds. Domestic rural tourism entities, although they have placed these products through the catering offer, do not use them for the purpose of promoting and better placement in the tourism market, although they have potential for a significant positive influence on the positioning of more competitive countries (Radović et al, 2017). Traditional food and food products that are protected by a geographical indication are to be used in promotion, to be placed through the catering offer, and especially to offer tourists the opportunity to buy and take them as a souvenir, and also provide the opportunity for tourists to find within one product which would include the entire offer of transport, accommodation, food and drinks, excursions and tourist activities, use the entire contents. Rural households and farmsteads that do not have accommodation capacities, that is, they do not deal directly with rural tourism, could activate by placing products of local craft and food in the form of souvenirs or meals at a certain tourist destination in Vojvodina, thus covering a larger aspect of catering offer. It is important to point out that the existence of certain cultural, gastronomic and entropic manifestations should actively involve farmsteads with

which traditional products will be placed, and at the same time, the subjects will promote and create a great marketing image and brand. Adequate economic valorization of products and services by farmsteads and generally all subjects in the rural area would provide greater income to the population, engage and recruit new staff, increase employment, and also through education programs, adequate education would be provided to the owners of farmsteads, which would result in providing better quality services to clients, and thus ensure faster rural development of tourism, which will lead to development of Serbian economy as whole.

### References

1. Andrić N., Tomić D., Tomić G. (2010). Status and perspectives of development of rural tourism in the Autonomous province of Vojvodina, *118<sup>th</sup> EAAE Seminar "Rural development: governance, policy design and delivery"*, Ljubljana, 611-621.
2. Banić Grubišić A., Antonijević D. (2013) Relationship between tradition, tourism and gastronomy: gastronomic offer and culinary heritage in the countryside tourism, *Issues in Ethnology Anthropology* , Vol. 8 Issue 4, 1089-1108.
3. Bramwell B., Henry I., Jackson G., Prat A.G., Richards G., Van der Straaten J. (1998). *Sustainable Tourism Management: Principles and Practice*. Tilburg, Netherlands: Tilburg University Press, 23-72.
4. Čurčić N., Pavlović N., Stanojlović A. (2010). Activation of Bečej's farmsteads in tourist market. *Gazette of Serbian Geographical Society*, Vol. 2, No. 2, 225-235.
5. Čomić Lj. (2002). Rural tourism in Serbia – opportunities and perspectives. *Tourism: Journal of Department for geography, tourism and hospitality*, Vol. 6, 119-120.
6. Gajić T. (2010). Tourism in the function of intensification of economic development of receptive and emitting areas - the example of the Southwestern district. *Industry*, 3/10, 139-154.
7. Košić K., Pivac T., Romelić J., Besermenji S., Penić M. (2014). Farms (salas) as an important aspect of development of rural tourism in

Vojvodina, *Researches Reviews of the Department of Geography, tourism and hospitality*, 43/1, 60-74.

8. Ministry of Trade, Tourism and Telecommunications, *Strategy for tourism development of the Republic of Serbia for the period 2016-2025, Government of the Republic of Serbia*, [www.mtt.gov.rs](http://www.mtt.gov.rs) (14<sup>th</sup> February 2018).

9. Ministry of agriculture forestry and water economy, *IPARD program for the Republic of Serbia for the period 2014-2020* <https://ipard.co.rs> (25<sup>th</sup> January 2018).

10. Pejanović R., Vujović S. (2008). Rural development and agrotourism. *Agrieconomica*, Vol. 37, 5-15.

11. Radović G., Vasiljević Z., Pejanović R. (2017). Rural tourism in the function of traditional products valorization at touristic market, *Economic views*, Vol. 22, No. 1, 13-24.

12. Statistical Office of the Republic of Serbia, *Statistical yearbook of Republic of Serbia*, <http://www.stat.gov.rs> (17<sup>th</sup> January 2018).

13. Todorović M., Bjeljac Ž. (2007). Basics of rural tourism development in Serbia, *Gazette of the Serbian Geographical Society*, Vol. 87, No. 1, 135-148.

14. Vidović N., Dželetović M. (2018). Comparative financial analysis of indicators of business success of hotel chains: case study Serbia and Croatia, *5<sup>th</sup> International Scientific Conference Agrobusiness MAK-2018 "European road to success" IPARD 2015-2020*, Kopaonik, 395-407.

15. Vuković P., Kljajić N., Mijailović N. (2009). Tourist Potentiality in Rural Areas in Vojvodina – North Serbia, *Buletinul*, Vol. LXI, No. 1/09, 1-8.

16. World Travel and Tourism Council, *Travel & Tourism Economic impact 2017 Serbia*, <https://www.wttc.org>, (15<sup>th</sup> February 2018).