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

**Tourism product as a factor of competitiveness of
the Serbian economy and experiences of other countries**



**THEMATIC
PROCEEDINGS
II**



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



THE INTERDEPENDENCE OF ECONOMIC AND TOURISM DEVELOPMENT

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Abstract

On its development path, tourism has experienced a vast number of essential internal and external transformations: it has acquired different types of appearance and phenomena, served different means, broadened the volume in space and quantitative aspect, changed characteristics and structure, became enriched by new motives, acquired new functions, had various influences and served different aims and targets, and never lost its economic characteristics while going through all of these. The basic characteristic of tourism as an economic and business activity is shown in the fact that on the one hand there exist tourists as consumers of tourist services who have money at their disposal to pay for such services and, on the other hand, there is tourism economy which has to fulfill various touristic needs. Tourism is a neat and precise activity, very delicate and subtle, which acquires many types of knowledge, patience and good will not only from the participants but also from other participants in a tourist offer. There are no unique forms of activities here because it is the question of the “face to face” business and each person is different. All these things could be achieved by constant continuous investment into knowledge, especially into the area of economic knowledge.

Keywords: *tourism, development, activity, economy*

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Introduction

Managing the tourism development, as well as any other phenomena, means conscious influence and performance directed toward behavior of

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phenomena, with the determined target. In order to achieve it "know how" is very important and also adequate skills and knowledge organized and directed toward phenomena and/or process which is being managed. Tourism is the complex phenomena and its development functions are numerous and complicated. Management of such phenomena on national, regional, local and enterprise level asks for broad interdisciplinary knowledge and sophisticated practice. Sophistication in practice means optimal usage of touristic resources with the aim of development of competitive production and providing touristic services. It covers wide range of different products and services determined by market in tourism.

Tourism is widely spoken of, and it is the well known phenomenon of modern society. Is there anybody in the developed countries who does not know something about that social need and status necessity and symbol as well as civilization movement? Very scarce are the individuals who can not or do not know how to talk widely about various situations or events during travel with the aim and ultimate target of tourism. When writing about tourism more than anywhere else holds true the saying: one can write what has already been written but the reader must be convinced that he reads it for the first time. Tourism is created from a great number of factors which are not "touristic" in its basis but tourism can not be formed without such "auxiliary" things, it can not be developed as well as maintained. Knowing the problems of tourism means acquiring a vast number of facts, suppositions and possible situations because here most of all holds true the proverb "consumer is always right". Tourism is the precise activity, very delicate and subtle which acquires many types of knowledge, patience and good will not only from the participants but from other partakers of touristic offer. Here do not exist unique forms of activities because it is the question of "face to face" business and the traditional proverb "hundred" people, hundred moods could picture this activity in different interesting, delicate and various ways. All these things could be achieved by constant continuous investment into knowledge, especially into the branch of economic knowledge.

Economic development as a framework for tourism development

As the general definition it is used the notion of economic development as socio-economic change, while under the notion of economic growth it is understood the change in the level of material production in the scope of the existing social system. It means that economic growth covers changes in material production during short period of time, usually of one year. At

the same time economic growth could mean not only the greater production but more expenses or more effects which means that it expresses one real growth rate of material production in relation to the unit of expense. Usually, in the literature of economics and the economic practice under the economic growth it is understood the yearly growth of material production expressed by the value of the growth rate of social product or national gross income in one country (Kljusev, 1979).

Economic growth is the social process by which one country gradually goes further from the state of its state of economic underdevelopment acquiring successively higher economic development.³ Since the essential characteristic of economic underdevelopment is the general material-economic poverty of population of one country, than the growing production of material goods and services in general, is the most important but not the only illustration and characteristic of the economic development (Marsenić, 1992).

Economic development should be understood as the process in which real social gross product constantly increases in the longer period of time. If the development rate is greater than the population growth rate, in that case increases the per capita income. This development process necessarily founded on and operates with the number of known but also unknown conditions and factors which make long term influence combining the changes and well known determined variables. Parts (details) of that process of economic development often happen under different cognitive or elemental conditions in space and time but, however, they have some basic common and mutual characteristics among them. In that sense, general result of the development process is the growth of social product itself or national gross income in economy as well as overall long-term socio-economic change.

Classification of modern theories of development could be done on the basis of different criteria.” One of the classifications is based on the division on to general and special theory of development. General theories of development are those which deal with universal regularities

3 Concept of economic development in the context of the countries with the low degree and low rate of economic development caused the appearance of the great number of terms starting from the old ones and insulting such as ”old fashioned”, (backward), undeveloped, poor, up to much modern and optimistic such as ”insufficiently developed” (underdeveloped), less developed, non-industrialized, developing countries, Emerging countries and Third World Countries).

of development process independently from the level of development of some determined economy. Special development theories approve specific characteristics of the determined economy, development phase and level of development gained" (Veličković, 1995, 9).

Modern theory of economics is increasingly directed toward the factors of economic growth. By doing so, "civil society theory of economic growth" sets one of its basic tasks to search all factors of economic growth which provide balanced dynamic growth. By that the civil society theory increasingly searches the connection of structural changes and the economic growth. Marxist theory points out the allocation of wealth in the conditions of great differentiation in the international distribution of labour as the very important task of urging development by means of development of trade." (Komazec, 1996, 6).

From the point of view of the economic development, all the countries develop. Some of them develop faster, some slower, so they could be grouped into the "highly developed, medium developed and less developed" (Samuelson, 1973, 765). Economic development, beside growth, incorporates also the changes in the structure of the economic system and its output, while economic growth usually marks the growth and of economic wealth (in mass or per capita) for one year (Veličković, 1995).

Mutual effects of development factors

Starting from realization of some planned target, it must be, first of all, kept in mind the whole group of development factors without which the aim can not be achieved. But, by doing so, most often, three moments of importance are insufficiently appreciated and accepted.

There never exist only positively influencing factors which make impact on the economic and overall social development. A group or assembly of factors, unavoidable during realization of some given target, is always created of those which, by different intensity, influence and act positively in the direction of the projected target; they are neutral according to their action or impact on the aim, but there are also the unavoidable addition and supplement to positive factors which are present and which make influence negatively but with different intensity. Planning and designing would be bad if the differentiation onto positive and negative factors of influence would not be taken into consideration, id/est if the optimal

preparation for maximizing of positive and minimizing of negative factors had not been done.

A great number of different factors is not a priori positive or negative but they are grouped according to their usage and according to the territory they are used on. But, for example, one has to investigate the historical inheritance and existence of tradition for some types and methods of activities. They could represent advantage as much as the burden and load, depending on the type of planned targets. All these factors are not permanently positively or negatively influencing even from the aspect of the given planned target. Here, also, is given a chance to make transformation by adequate activities, by moving from the negative zone into the positive one or to make the movement from positive into negative zone much harder. Causes of turning eventual positive factors into negative ones and eventual turning of negative factors into positive are numerous. The most important causes come from the international relations, from the system of management and especially from the system of information as well as from the area of some determined branch of knowledge availability.

Observing mutual interdependence of the factors of development it could be stated that there are three possibilities:

- Factors which influence **all** other factors (knowledge, information)
- Factors which influence **majority** of their factors (political system, technological development, system of management, population and others) and
- Factors which influence **only the determined number** of the other factors (natural resources and wealth, climate geographic position of the country).

In that mutual relation some of the development factors are, by rule, always in the mutual conflict (for example, economic and ecologic), some could be in collision but need not be in the conflict (they are very numerous), as well as those which are never in the conflict because they have their activities far enough one from the others (their place or time of activity, or both, do not fit in).

Optimal usage of development factors

As one of the very important conditions for good usage of the development factor appears the regular correct relation or optimal,

although it is harder attainable, between the strategy and tactics, having in mind the overall economic development. Production of factors (if we speak about material factors of development) or, better to say, their creation and growth or increase, is more the matter of strategy. Their rational usage is more the matter of criticism. So, it is not the matter of one or the other but both the matter of tactics and strategy, although in different combinations what depends on the type of factor. Creation of knowledge, for example, is more the part of strategy while the regular usage of the existing knowledge is more the matter of tactics. Or, the usage of mineral resources as non reproductive factors is far more the part of long term development strategy. Reproductive factors are both the part of strategy and tactics. Increase of the intensity of usage of the factors of development asks, also, for constant notifying of the degree of their limitation with the aim of exchanging the more limited factors by less limited ones. But limitation is very dynamic and has to be corrected very often. Scientific and technical progress is, beside other things, the result of the decrease of limitation of some individual factors (in this field biotechnology and genetic engineering have a lot of things to offer). Three basic ways of decreasing of limitations are mostly important.

Especially great influence on the intensity of usage of some development factors has the degree of their mobility, while we have in mind only the physical mobile factors. As it has been well known from the practice, differences between physical and social mobility could be very great and it, first of all, depends on the following general conditions:

- Types of ownership over the factors
- Degree of integrity of the given country economy
- Formation of prices of those factors which are distributed on the market, or better to say, have the shape of goods or merchandise.
- Movement of investments into the development of some factors and their external competitiveness and
- Freedom of inflow and outflow of some individual factors at the international level.
- At last, for the increase of intensity as well as economic efficiency in usage of the development factors a great importance lies on the corresponding political institutions-their development, contemporarity, connection of their network, way of their activity, since any delay of their activities in society is seen through the changes in economic and the whole social field and all these things cause very huge consequences.

Factors of overall development have to be differently looked upon because of the fact whether we have in mind the short-term (up to five years), medium-term (up to ten years) or long-term economic and overall social development.

When we speak of the factors which are of long term orientation in the right sense, then, usually, we have in mind the following two groups of factors:

- First, population (fertility, mortality, nutrition, new settlements construction, employment, educational qualifications, types, intensity and directions of migrations, position of female gender, perspectives of the young and the similar) and
- Second, natural resources.

But the most recent achievements in the usage of the results of new technological revolution (it is meaning here, before all, the biotechnology) have greatly changed, as in the way of exploitation as in the way of application, of natural resources, with much safer prospects for much stronger changes, with enormous effects upon total overall growth of material production. So, in that sense, the first stated group abruptly comes out as the most long term one, with relatively the least possibility to change anything in the future times in the sense of easier formulation and realization of development policy. On the contrary, the problem of nutrition, average accommodation and population employment becomes harder and harder at the world level. But, from the insight of one country, even a developed one as, for example, the United States of America, are, population observed in its wholeness (as the creator and as the consumer) represent the most complex and far more long termed development factor because of which it could not be examined, prognosis, planned in any other aspect of long term except in the aspect of a very long period ahead. Biological laws are here, first of all, very present and existing.⁴

Special problem, when we speak of this first and the main group of factors of long term development is how to preserve the top class experts and how to minimize the brain drain. Without the top class experts other

4 For broader explanation of this phenomenon-population as the most long termed factor one can see the thorough study "Long-Term Factors in American Economic Growth", which editors are Stanley L. Engerman and Robert E. Gallman, issued by National Bureau of Economic Research, Studies In Income and N. Jealth, Volume 51, The University of Chicago Press, Chicago, 1986

factors of development could not be used maximally, because they could be identified thoroughly and used optimally only by the exceptional experts. It must be specially emphasized that the experience of very developed countries confirms the following: there does not exist non-qualified working place a priori but there only exist the non-qualified employee or worker; qualified worker could transform the non-qualified working place into the qualified one very soon, since there is no human activity which could not be done on a higher level from the existing one. A few aspects are quoted very briefly in the light of some new approaches to the factors of economic development only as general theoretical and methodological frame for observation of these factors without which their direct evaluation would be much harder. Of course, one could say much more about these topics from theoretical as well as practical point of view.

Modern theory of development of tourism

Modern theories of development of tourism are those theories which developed in the time of the most intensive development trends after the termination of the Second World War. However, this statement is not thoroughly true. Namely, in the period immediately after the Second World War tourism was not of extremely interest neither for the theoreticians of economy nor for the practical usage in economy because of the fact that the World had to deal with reconstruction of all which was ruined and destroyed in various ways by the war. Theory of development of tourism returned much seriously, on to the world scene somewhat later, in fact after 1950's and specially after 1960's when the world economically became so stabilized that the touristic flow and turnover of goods began to increase. This specially holds true for Europe as a continent which, on one side, extremely was devastated in the Second World War, but, on the other hand, it was the continent with the most dynamic development of tourism in the whole world. In that period of time Kurt Krapf wrote his essay "Von der Empirie zur Theorie des Fremdenverkehrs"⁵, Troisi published his work "Theoria economica del turismo e delta rendita turistica"⁶ and Paul Bernecker finished his work "Die Stellung des Fremdenverkehrs im Leistungssystem der Wirtschaft".⁷

5 Kurt Krapf in "Jahrbuch für Fremdenverkehr, Deutsches Wirtschaftswissen schaliliches Institute für Fremdenverkehr, Munchen, 1952-1953

6Troisi published his work in Bari in 1955

7Bernecker's work was published in Vienna in 1956

In such a way fundamental literature is circled and this fundamental literature about tourism creates the basis or the foundation of modern theory of the development of tourism. All works after this period represented only the elaboration of these thesis although there were much more original approaches toward the development of tourism, which specially relates to the individual examples of such development. Theory of economics still does not consider tourism to be the phenomenon which had to be studied seriously.

In the period from 1950 to 1960 theoreticians of tourism deal with evolution to the great extent and deal with the phases of development of tourism, too. Works which appeared in that period start from the well known standpoints of Rostow in the phases of development of economy. Depending on criteria theoreticians of tourism mentioned three and even up to six phases of development through which tourism went up to these days. Most of the developed countries of the world just then began their path toward the society of high mass consumption and for each economy branch it is the period of expansion and finding as well as reaching and attaining of the new markets. In that context tourism is experienced as the possibility of conquering of new markets and this specially speaks in favour of the touristic standpoints about the possible role of tourism of the undeveloped countries.

Several authors submitted this theory of tourism to overall general revision and the most famous authors is Douglas Pearce (1987 and 1989). He warned about the illogical notions of previous theoretical thoughts which had not taken into account the specific development and the degree of development of less developed or even undeveloped countries of the world. He opposed to the very honoured Miossec model of development, warning that tourism does not develop in "the empty space" and that the other development options should be approved in the in the areas where development of tourism is planned.

In the majority of works of that time still dominates the economic approach toward touristic development or, better to say, the notion and standpoint which speak in favor economic consequences of touristic development. But it is also the period of appearance of works of other authors outside the sphere of economics and those are the works of sociologists which bring "new winds" into already established standpoints with the consequences of touristic development. On the other hand, prosperity and development of the science of economy as a whole made

their impact on the development of scientific theoretical thoughts about tourism. Analysis of general balance emphasizes mutual dependence of different markets and sectors of economy as well as mutual dependence of prices and production of different goods and services. Systematic study of national gross income, started at the beginning of twentieth century as the measure of economy structure of the determined area, becomes also the very important measure of the degree of development, and special attention is paid to international management of national gross income and other macroeconomic aggregates. Noticed complexity of mutual dependence of influences of some economic branches and other factors in tourism is now possible to be analyzed and inspected by the use of input-output or inter-sector model. Inter-sector analysis caused also the analysis of economic balance which in tourism resulted in constantly growing number of works which use this general knowledge of economic theory for the analysis of touristic phenomena and its contribution to national economies.

It is the period which is, in the specific way, in the theory of tourism marked by the theory of touristic multiplier. H.G. Clement was the person who tried to use one general macroeconomic knowledge in the theory of development of tourism.” Theory of multiplier tends to make the range of one compound regulation which happens in more compound mechanism of one national economy and also tend to describe the content of that regulation and to make it understandable” (Antunac, 1985).

Critical attitude by which the theory of tourism waited for Clement’s model of the touristic multiplier is the result of numerous comments and objections that Clement had not understood thoroughly and fully, the model of Kahn-Keynes multiplier of income, which in its basic concept relied on Keynes multiplier of investments and employment and then he used it in the wrong way. On the example of small island countries in the Pacific Ocean Clement determined that touristic multiplier equals 3,27 dollars, which in other words means that one dollar spent in tourism causes during the year economic activity of 3,27 dollars. On the basis of those foundations M. Zender (Zender, 1969) made the study of development of tourism at the Eastern Caribians and its results fascinated many small Caribbean island countries which ordered the similar projects.

Negative reaction to these theoretical standpoints came first from the writing of American theoreticians of tourism K. Levitt and I. Gulati, then J. Brvden and M. Faber. The very fact that here we deal with negative

reaction was sufficient enough, according to some opinions, to bring into suspicion the very sense and essence of development of tourism (its multiplied efficiency is in question). Since Zender quoted Samuels' multiplier, the last two authors categorically deny any similarity with the mentioned multiplier and emphasize and point out that it is impossible to add up nominal values of each transaction and then to add them to the national income but they confirm that theoretically it would be right to determine in each transaction the newly created value and to sum up only that value to the national income. One of the very famous economists and theoreticians of tourism Herbert Vanhove (Vanhove, 1973) added to these critical standpoints also his way of thinking and his opinion and said that in the calculation itself a great mistakes were made but he does not deny thoroughly the value and importance of this attempt to use touristic multiplier as partial index of the values of touristic activities.

Much later a great number of theoreticians appeared who tried to use touristic multiplier in the studies of touristic development in some countries contributing more or less to the clarification of the notion of multiplier as all as to the calculation of multiplier. In such a way behaved. A. Sessa; R. Erbes, R. Baretje; P. Defert; B. Archer, and others. The work of M. Peters is original and proposes his own model of touristic multiplier; also F. Mitchell has to be mentioned who, in several works, tries to give answer to the question of the influence of touristic development on to the national economy.

Eastern European part of the world which means the countries which in that time belong to the communist block and found their economic standing points on the basis of teaching of Karl Marx, develop different points of view about contribution of touristic development to general economic development. Better to say, it is here the matter of the tendency to justify by marxistic points of view the standpoints of capitalistic economic theory, which became very obvious in the country of Yugoslavia of that time more than in other countries.

Contrary to the ruling policy of the closed market, theoreticians of tourism of these countries tend, after all, to justify the development of foreign tourism although it was only touristic flow between some countries was in question, or so called Eastern block. From that reason several authors have to be mentioned: J. Kaspar; S. Ostrowski; O. Rogalawski; J. Kruczala; G. Golembski; J. Czegledi; J. Vajda; I. Fluck; R. Aroch; M. Polacek and others.

Mass production which brought about crowded markets with goods of mass consumption and which inaugurated in practice and later in theory the problem of selling the goods, also caused the appearance of new theoretical knowledge known as the theory of marketing. By appearance of Krippendorff's book "Marketing at Tourisme" in 1971 theory of tourism enters into the period of intensive theoretical dealing with the problems of market which resulted in the appearance of enormous expert literature even greater than any other literature in any other activity with which the theory of tourism dealt with. Principles and standing points of this microeconomic theory by the rule, are relatively quickly transferred on microeconomic field. The same happened in tourism. Marketing returned into the center of discussions the relation of offer and demand in tourism and brought, some time later, much denied innovation: theory of touristic product. Its first supporters were S. Medlik and W. C. Middleton (1973) who had a lot of opportunities to explain their own theoretical points of view, correct some attitudes and "put infection" into various theories of tourism and "infect" many theoreticians of tourism.

This theory specially had effects on special and urbanistic planning in tourism because the mastering of space could found its principles and defend them at the level of theoretical positions which activated the determined space in touristic way, but not only on physical predispositions of such space but on the basis of its objective touristic and market verification and evaluation. Greater integrity of space and content in it made the two authors, M. Baud-Bovy and F. Lawson (1977) transform these theoretical standpoints into concrete planning parameters and propositions for touristic construction which were kept up to these days with the exception of minor modifications and changes for the better. Later on, developing knowledge about ways and models of usage of space in tourism, but taking into account the standing points of marketing, theoreticians of tourism developed the notion of, so called, life cycle of touristic localities or regions and, finally, the notion of touristic destination. It brought about the theory of the carrying capacity and the notion of saturation or overcrowded special entities by the touristic development. Among the theoreticians who dealt with these problems the most famous and well known are: C. Gunn, C.W. Hart, G. Casserly, M.J. Lowless, R.G. Fritz, K.M. Haywood, C.A. Benedetto and others. In that sense and in that context appeared and developed the theory of touristic destination.

Penetration of American-Canadian theoreticians into the world wide theory of tourism which happened in 1980's of the last century meant a certain turn in the priorities of scientific discussion and in methodology of scientific research. Influence of theoretical standing points created on American continent on the points of view in other parts of the world brought about many controversial views and theoretical misunderstanding. American - Canadian authors D. Lundberg; B. Ritchie, R. McIntosh, C. Goeldner; C. Gee, R. Mili, C. Van Doren and others contributed the most to the discussion about global problems of tourism with the emphasized extreme development and economic accent. The works written by C.A. Gunn, C. Kaiser, T. Var, D. Mac Cannell, P. Bosselman, J. Bryden, D. Pearce and by the others about the special-planning and ecological aspects in the development of tourism were very remarkable. On the other hand, anthropological and sociological research is presented in the works and original points of view of E. Cohen, J. Jafari, V. Smith, E.de Kadt, V. Young, L. Turner, J. Ash, P. Pearce, A. Pizam and others. In the field of marketing among the most famous and best known are, beside already mentioned, A. Morrison, C. Holloway, R. Reilly and many others. These authors are quoted and numbered here because they, consciously or unconsciously, in their works entered the tone of macro development and emphasized some determined connections between the theory of marketing and, the theory of development of tourism.

In 1990's of the last century "additional work" on previous theoretical viewpoints was continued but these years also brought a thoroughly new direction to the theory of development of tourism, and this new direction is the sector of formally informal dichotomy. Supporters of this theory of touristic development are Mic-hand (1991) and Kermath and Thomas (1992) and Wahnscafft (1982) as their predecessor, they all point out that it is not the question of some theoretical variant but about the view which shuts out all previous theoretical thinking. The same could be said for the basic principle and stand point of the same theory which functions in the relation of or-or, which means the theory of formal or informal characteristics. Formal circle in the countries which are developing is characterized by the objects of the touristic offer of the international standards, while in the informal circle there are objects of lower standard and the offer which is usually called "domestic" or "local". Beside these two utterly different circles also there are the other characteristics of the touristic turnover. If we talk about domestic tourism, than "the upper layer" of local population is kept in the formal circle. In such a context

the other factors also exist starting from investments up to the capital coefficient which divide the development of one country onto formal or informal one, so that country either belongs to the formal circle or the informal one. Informal sector in such theories is considered equal to "open special structures" and formal sector is symbolized by touristic "enclaves". Those are somewhat narrow spaces excellently equipped by all necessary content and closed for the usage of those who are not staying in such center. Formal sector was the one which emphasized numerous social and cultural problems and also the collision of interests of local population brought by such type of development of tourism specially in the less developed environment.

Dual structure of tourism is shown and manifested in the space in corresponding economic and socio-cultural consequences and influences. About that aspect it has been spoken relatively little in the theories of tourism until the moment when the space has not entered, in full its importance, into the theory of tourism and all aspects and considerations of tourism. Organizing of space in touristic areas and places becomes fundamental factor of theoretical inspection. Dress (1997) introduced as late as 1979 the usage of theoretical notions, on the example of Bali, such as: sphere of touristic influence, sphere without touristic influence and both of them well enough fitted in the special concept of inspection and search of touristic development. On the basis of this example the "special model" of touristic development of the developing country is hypothetically prepared, and its principles are later generalized in the unique theory of special development of tourism in the developing countries. In such theoretical discussions theoreticians which defended their points by the analysis of touristic development at the island countries had been extremely loud. Among the most famous theoreticians of that wave and destination there are: D. Pearce; P. Willkinson; J.O.J. Lundgren; S. Britton. On the basis of touristic dispersion examined and seen on the groups of islands, from the main island toward the other islands (including airport) the model of regional touristic distribution in continental countries is formed and created, starting from the main city or coast or shore areas toward rural areas or internal spaces. Distance of emitive markets with great emission specially distance from far away situated Pacific archipelago, made theoreticians mark the distance by one of the main critical and limiting factors in every touristic development. Since then, theoreticians of tourism do a lot of research and inspection of the influence of distance on the development of tourism (M.D. Meyer, E.J.

Miller, R.R. Perdue, L.D. Gutske; Y. Shefti; S.R. Lerman; M. Kottke and others).

The end of twentieth century was marked by numerous research concerning development of tourism. But, the most of them had not brought any special news in theoretical sense but, mainly, it was the period of deepening of the existing knowledge about tourism and its development, about the tendency to quantify the results much better and to quantify touristic turnover, also it was the period of acquiring more relevant data about structure of visitors, their behavior as consumers and as the consumers of space and services during years and centuries in big cities and town agglomerations. Their function of business centers developed some special type of, so called, congress or manifestation tourism; especially interesting are "mega event" – great events of high importance and interest which attract usually great number of visitors and participants. Cities which made the concept of their touristic future on the basis of such events also make infrastructure and construct appropriate buildings, hotels, sport centers and halls as well as multifunctional spaces for sports and amusement of any kind (for various cultural and educational purpose). It is very important to mention that such orientation asks for a large number of accommodation units which, as a consequence, means a lot of investment into restaurant management, hotel accommodation, communal and other types of infrastructure. In modern tourism, especially in the two last decades of the twentieth century, the largest world cities metropolises and centers become the most frequently visited touristic destinations in the world. The large towns and cities in the world definitively entered the special category and type of touristic places.

Conclusion

Tourism, in its development path, experienced a vast number of internal and external essential transformation: acquired different types of appearance and phenomena, served different means, broadened the volume in space and quantitative aspect, changed characteristics and structure, became enriched by new motives, acquired new functions, had various influences and served different aims and targets and while doing all these it never lost its economic characteristics. Because modern tourism massive demonstration became its most important characteristic which has essential importance for the research in the field of many sidedness of tourism especially when the economic effects of tourism are

in question and when its influence on economic and overall development is concerned.

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