

4th

International Scientific Conference

30 May - 1 June, 2019
Vrnjačka Banja, Serbia

20
19

TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA

Tourism as a Generator of Employment



THEMATIC
PROCEEDINGS
II



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



The Fourth International Scientific Conference

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

Tourism as a Generator of Employment

Thematic Proceedings

II

UNIVERSITY OF KRAGUJEVAC

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

Vrnjačka Banja, 30 May - 1 June, 2019

THEMATIC PROCEEDINGS
The Fourth International Scientific Conference
TOURISM IN FUNCTION OF DEVELOPMENT OF THE
REPUBLIC OF SERBIA
Tourism as a Generator of Employment

Publisher

University of Kragujevac
Faculty of Hotel Management and Tourism in Vrnjačka Banja

For the Publisher

Drago Cvijanović, Ph.D. - Dean

Edited by

Drago Cvijanović, Ph.D., Faculty of Hotel Management and Tourism
in Vrnjačka Banja, Serbia

Andrei Jean Vasile, Ph.D., Faculty of Economic Sciences, Ploiesti,
Romania

Nikola Dimitrov, Ph.D., Faculty of Tourism and Business Logistics,
Gevgelija, North Macedonia

Arja Lemmetyinen, Ph.D., Turku School of Economics at the
University of Turku, Finland

Pavlo Ružić, Ph.D., Institute for Agriculture and Tourism, Poreč, Croatia

Cvetko Andreeski, Ph.D., Faculty of Tourism and Hospitality, Ohrid,
North Macedonia

Dragana Gnjatović, Ph.D., Faculty of Hotel Management and
Tourism in Vrnjačka Banja, Serbia

Tanja Stanišić, Ph.D., Faculty of Hotel Management and Tourism in
Vrnjačka Banja, Serbia

Andrej Mićović, Ph.D., Faculty of Hotel Management and Tourism in
Vrnjačka Banja, Serbia

Miljan Leković, Ph.D., Faculty of Hotel Management and Tourism in
Vrnjačka Banja, Serbia

Computer Support – **Vladimir Kraguljac, M.Sc., dipl.ing.**

Number of copies – **100**

Printed by – **SaTCIP d.o.o. Vrnjačka Banja**

ISBN 978-86-89949-37-7, ISBN 978-86-89949-39-1

The publishers are not responsible for the content of the Scientific Papers and opinions published in the Volume. They represent the authors' point of view.

Publication of Thematic Proceedings was financed by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

ORGANIZER OF THE CONFERENCE AND PUBLISHER

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

CO-ORGANIZERS

- Agricultural College of Vocational Studies, Šabac – Serbia
- Balkan Scientific Association of Agrarian Economists, Belgrade – Serbia
- Biotechnical Faculty, University of Montenegro, Podgorica – Montenegro
- Business College of Vocational Studies, Leskovac – Serbia
- College of Applied Sciences, Užice – Serbia
- College of Sports and Health, Belgrade – Serbia
- Development Academy of Agriculture, Belgrade – Serbia
- Faculty of Agriculture, University of Priština, Priština – Serbia
- Faculty of Agronomy Čačak, University of Kragujevac, Čačak – Serbia
- Faculty of Applied Management, Economics and Finance, Belgrade – Serbia
- Faculty of Business and Tourism in Budva, Budva – Montenegro
- Faculty of Economics Subotica, University of Novi Sad, Novi Sad – Serbia
- Faculty of Social and Cultural Tourism and Service, Stavropol State Agrarian University, Stavropol – Russia
- Faculty of Tourism and Business Logistics – Gevgelija, University Goce Delčev, Štip – North Macedonia
- Faculty of Tourism and Hospitality, University St. Kliment Ohridski, Ohrid – North Macedonia
- Federal Agro-Mediterranean Institute of Mostar, Federation of Bosnia and Herzegovina, Mostar – Bosnia and Herzegovina
- Institute of Agricultural Economics, Belgrade – Serbia
- Institute of Agricultural Economics, Romanian Academy, Bucharest – Romania
- Institute of Agriculture and Tourism, Poreč – Croatia
- Institute of Comparative Law, Belgrade, Serbia
- Institute of Economic Sciences, Belgrade – Serbia
- Institute of Knowledge Management, Skopje – North Macedonia
- The Research Network on Resources Economics and Bioeconomy Association (RebResNet), Ploiesti – Romania

- University of Applied Sciences Baltazar Zaprešić, Zaprešić – Croatia
- University of Bijeljina, Bijeljina – Republic of Srpska, Bosnia and Herzegovina
- Modern Bussines School, Belgrade – Serbia
- Montenegro Tourism School, University Mediterranean Podgorica, Podgorica – Montenegro
- Technical College of Vocational Studies, Kragujevac – Serbia
- The College of Hotel Management Belgrade, Belgrade – Serbia
- “Ekomlek“ d.o.o. Kraljevo – „Spa Travel & Service“ Vrnjačka Banja – Serbia
- „Friendship Gardens“, Vrnjačka Banja – Serbia

FOR ORGANIZER AND CO-ORGANIZERS

- Prof. Drago Cvijanović, Ph.D.
- Prof. Dejan Grujić, Ph.D.
- Academician prof. Radovan Pejanović, Ph.D.
- Prof. Miomir Jovanović, Ph.D.
- Prof. Milena Marjanović, Ph.D.
- Prof. Ivana Ćirović, Ph.D.
- Prof. Snežana Lazarević, Ph.D.
- Academician prof. Mihailo Ostojić, Ph.D.
- Prof. Božidar Milošević, Ph.D.
- Prof. Vladeta Stevović, Ph.D.
- Prof. Tomislav Brzaković, Ph.D.
- Prof. Rade Ratković, Ph.D.
- Prof. Aleksandar Grubor, Ph.D.
- Prof. Robert Dimitrovski, Ph.D.
- Prof. Valentina Varivoda, Ph.D.
- Prof. Nikola Dimitrov, Ph.D.
- Prof. Cvetko Andreeski, Ph.D.
- Prof. Marko Ivanković, Ph.D.
- Prof. Jonel Subić, Ph.D.
- Prof. Cecilia Alexandri, Ph.D.
- Dean Ban, Ph.D.
- Prof. Vladimir Čolović, Ph.D.
- Prof. Jovan Zubović, Ph.D.
- Prof. Andrei Jean Vasile, Ph.D.
- Prof. Vladimir Šimović, Ph.D.

- Asst. Prof. Boro Krstić, Ph.D.
- Prof. Čedomir Ljubojević, Ph.D.
- Prof. Silvana Đurašević, Ph.D.
- Prof. Nikola Radivojević, Ph.D.
- Prof. Slavoljub Vičić, Ph.D.
- Nikica Pantović
- Slavica Pajić-Drndarević

HONORARY BOARD

- Mladen Šarčević, Minister of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Rasim Ljajić, Ph.D., Minister of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade – Serbia
- Prof. Ana Langović Milićević, Ph.D., State Secretary of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Anamarija Viček, State Secretary of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Prof. Viktor Nedović, Ph.D., State Secretary of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Prof. Vladimir Popović, Ph.D., State Secretary of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Marko Milenković, Ph.D., State Secretary of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Tatjana Matić, State Secretary of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade – Serbia
- Stevan Nikčević, State Secretary of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade – Serbia
- Vesna Kovač, State Secretary of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade – Serbia
- Asst. Prof. Miroslav Knežević, Ph.D., State Secretary of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade – Serbia

- Vesna Nedeljković, Asst. Minister for Pre-school and Primary Education of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Prof. Marija Kuzmanović, Ph.D., Asst. Minister for International Cooperation and European Integration of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Asst. Prof. Bojan Tubić, Ph.D., Assist. Minister for Higher Education of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Spomenka Simonić, Assist. Minister for Student Standard and Investments of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Saša Stojanović, Ph.D., Assist. Minister for Digitization in Education and Science of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Prof. Gabrijela Grujić, Ph.D., Assist. Minister for Dual and Entrepreneurial Education of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Zoran Tubić, Assist. Minister for Finance of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Jasmina Jovanović, Assist. Minister of Inspection Affairs of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Marina Soković, Ph.D., Assist. Minister for Science of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Saša Lazović, Ph.D., Assist. Minister for Technological Development, Technology Transfer and Innovation System of the Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade – Serbia
- Prof. Renata Pindžo, Ph.D., Assist. Minister for Tourism of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade – Serbia
- Predrag Gluhaković, Ph.D., Minister of Trade and Tourism of the Republic of Srpska, Banja Luka – Republic of Srpska, Bosnia and Herzegovina

- Prof. Nenad Filipović, Ph.D., Rector of the University of Kragujevac – Serbia
- Prof. Miroslava Petrović Torgašev, Ph.D., Vice-rector for Science of the University of Kragujevac – Serbia
- Prof. Savo Trifunović, Ph.D., Vice-rector for the Coordination of the Activities of the Faculties Located Outside the Seat of the University of Kragujevac – Serbia
- Prof. Slobodan Milisavljević, Ph.D., Vice-rector for International Relations of the University of Kragujevac – Serbia
- Prof. Živadin Micić, Ph.D., Vice-rector for Education and Student Affairs of the University of Kragujevac – Serbia
- Prof. Drago Cvijanović, Ph.D., Dean of the Faculty of Hotel Management and Tourism in Vrnjačka Banja University of Kragujevac – Serbia
- Prof. Dragana Gnjatović, Ph.D., Vice-dean for Development of the Faculty of Hotel Management and Tourism in Vrnjačka Banja University of Kragujevac – Serbia
- Boban Đurović, President of the Municipality of Vrnjačka Banja – Serbia
- Ivan Radović, President of Municipal Assembly of Vrnjačka Banja – Serbia
- Rodoljub Džamić, Municipality of Vrnjačka Banja – Serbia
- Academician prof. Mihailo Ostojić, Ph.D., President of the Assembly of the Development Academy of Agriculture of Serbia, Belgrade – Serbia
- Academician prof. Mića Mladenović, Ph.D., Chairman of the Board of the Development Academy of Agriculture of Serbia, Belgrade – Serbia
- Academician prof. Radovan Pejanović, Ph.D., President of the Balkan Scientific Association of Agrarian Economists, Belgrade – Serbia
- Prof. Vladimir Trukhachev Ivanovich, Ph.D., Rector of the Stavropol State Agrarian University, Stavropol – Russia
- Prof. Marko Matić, Ph.D., Rector of the University of Modern Sciences, Mostar – Bosnia and Herzegovina
- Prof. Petar Veselinović, Ph.D., Dean of the Faculty of Economics, University of Kragujevac, Kragujevac – Serbia
- Prof. Jonel Subić, Ph.D., Director of the Institute of Agricultural Economics, Belgrade – Serbia
- Prof. Božidar Milošević, Ph.D., Dean of the Faculty of Agriculture, University of Priština, Priština – Serbia
- Prof. Ermina Smajlović, Ph.D., Dean of the Faculty of Economics, University of Tuzla, Tuzla – Bosnia and Herzegovina

- Prof. Andrei Jean Vasile, Ph.D., Director/Scientific coordinator of the Research Network on Resources Economics and Bioeconomy Association (RebResNet), Ploiesti – Romania
- Prof. Vladimir Šimović, Ph.D., Dean of the University of Applied Sciences Baltazar Zaprešić, Zaprešić – Croatia
- Prof. Vladimir Čolović, Ph.D., Director of the Institute of Comparative Law, Belgrade – Serbia
- Prof. Jovan Zubović, Ph.D., Director of the Institute of Economic Sciences, Belgrade – Serbia
- Prof. Aleksandar Grubor, Ph.D., Dean of the Faculty of Economics in Subotica, University of Novi Sad – Serbia
- Prof. Tomo Milošević, Ph.D., Dean of the Faculty of Agronomy Čačak, University of Kragujevac – Serbia
- Prof. Vjekoslav Tanasković, Ph.D., Dean of the Faculty of Agricultural Sciences and Food Ss. Cyril and Methodius University, Skopje – North Macedonia
- Prof. Đurđica Perović, Ph.D., Dean of the Faculty of Tourism and Hotel Management University of Montenegro, Kotor – Montenegro
- Prof. Milena Marjanović, Ph.D., Director of the Business College of Vocational Studies, Leskovac – Serbia
- Prof. Milica Pavkov Hrvojević, Ph.D., Dean of the Faculty of Sciences University of Novi Sad – Serbia
- Prof. Miomir Jovanović, Ph.D., Biotechnical Faculty University of Montenegro, Podgorica – Montenegro
- Prof. Nikola Milović, Ph.D., Dean of the Faculty of Economics in Podgorica, University of Montenegro, Podgorica – Montenegro
- Prof. Nikola Dimitrov, Ph.D., Dean of the Faculty of Tourism and Business Logistics - Gevgelija, University Goce Delčev, Štip – North Macedonia
- Prof. Radomir Božić, Ph.D., Dean of the Faculty of Economics in Pale, University of East Sarajevo, Republic of Srpska – Bosnia and Herzegovina
- Prof. Ivana Ćirović, Ph.D., Director of College of Applied Sciences, Užice – Serbia
- Prof. Rade Ratković, Ph.D., Dean of the Faculty of Business and Tourism in Budva – Montenegro
- Prof. Dejan Grujić, Ph.D., Director of the Agricultural College of Vocational Studies, Šabac – Serbia
- Prof. Robert Dimitrovski, Ph.D., Director of the Institute of Knowledge Management, MIT University, Skopje – North Macedonia

- Prof. Sašo Korunovski, Ph.D., Rector of the University St. Kliment Ohridski, Ohrid – North Macedonia
- Prof. Rade Grbić, Ph.D., Rector of the University of Priština – Serbia
- Prof. Cvetko Andreeski, Ph.D., Dean of the Faculty of Tourism and Hospitality University St. Kliment Ohridski, Ohrid – North Macedonia
- Prof. Andrzej Kowalski, Ph.D., Director of the Institute of Agricultural and Food Economics, National Research Institute, Warsaw – Poland
- Prof. Cecilia Alexandri, Ph.D., Director of the Institute of Agricultural Economics, Romanian Academy, Bucharest – Romania
- Prof. Čedomir Ljubojević, Ph.D., Director of the Modern Business School, Belgrade – Serbia
- Prof. Dan Boboc, Ph.D., Dean of the Faculty of Agro-food and Environmental Economics Bucharest University of Economic Studies, Bucharest – Romania
- Scientific Advisor Dean Ban, Ph.D., Director of the Institute for Agriculture and Tourism, Poreč – Croatia
- Prof. Bojidar Ivanov, Ph.D., Director of the Institute of Agricultural Economics, Sofia – Bulgaria
- Prof. Dora Smolčić Jurdana, Ph.D., Dean of the Faculty of Tourism and Hospitality Management, Opatija – Croatia
- Prof. Slavoljub Vičić, Ph.D., Director of the College of Hotel Management, Belgrade – Serbia
- Prof. Rob Davidson, Ph.D., MICE Knowledge, London – United Kingdom
- Prof. Roxana Vidican, Ph.D., Dean of the Faculty of Food Science & Technology, University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca, Cluj-Napoca – Romania
- Prof. Zoran Grgić, Ph.D., Dean of the Faculty of Agriculture, University of Zagreb – Croatia
- Prof. Valentina Varivoda, Ph.D., Deputy Dean for Academic Affairs, Faculty of Social and Cultural Tourism and Service, Stavropol State Agrarian University, Stavropol – Russia
- Prof. Tomislav Brzaković, Ph.D., Dean of the Faculty of Applied Management, Economics and Finance. Belgrade – Serbia
- Prof. Zvezdica Simić, Ph.D., Dean of the Faculty of Economics, University of Priština – Serbia
- Prof. Silvana Đurašević, Ph.D., Dean of the Montenegro Tourism School, University of Mediterranean, Podgorica – Montenegro
- Prof. Snežana Lazarević, Ph.D., Director of the College of Sports and Health, Belgrade – Serbia

- Prof. Srđan Milosavljević, Ph.D., Deputy Director of the College of Sports and Health, Belgrade – Serbia
- Asst. Prof. Srđan Lalić, Ph.D., Dean of the Faculty of Economics Brčko District – Bosnia and Herzegovina
- Asst. Prof. Boro Krstić, Ph.D., Director of the University of Bijeljina, Bijeljina – Republic of Srpska
- Prof. Nikola Radivojević, Ph.D., Director of the Technical College of Vocational Studies, Kragujevac – Serbia
- Dejan Stanojević, Mr sci. med. dr Director of the Special Hospital Merkur, Vrnjačka Banja – Serbia
- Ing. Ivan Masar, Director of the Research Institute of Agricultural and Food Economics, National Agricultural and Food Centre, Bratislava – Slovak Republic
- Slavica Pajić-Drndarević, President of „Friendship Gardens“, Vrnjačka Banja – Serbia
- Nikica Pantović, Director of Tourism Sector, “Ekomlek“ d.o.o. Kraljevo – „Spa Travel & Service“ Vrnjačka Banja – Serbia
- Dušanka Gajdić, M.Sc., Lecturer at the Križevci College of Agriculture – Croatia
- Sandra Kantar, Ph.D., Lecturer at the Križevci College of Agriculture – Croatia
- Jelena Čeperković, M.Sc., Director of the High Hospitality and Tourism School in Vrnjačka Banja – Serbia
- Malči Grivec, Ph.D., Lecturer and dean of the Faculty of Business, Management and Informatics, Novo Mesto - Slovenia
- Miodrag Veseli, MA, Belgrade Chamber of Commerce – Serbia
- Marija Đurić, Director of the Academy of Knowledge in Budva – Montenegro
- Boško Vučurević, President of Vojvodina Chamber of Commerce, Novi Sad – Serbia
- Ana Lapčević, Director of Regional Chamber of Commerce Užice – Serbia
- Rade Ljubojević, Vice President of Regional Chamber of Commerce Užice – Serbia
- Velimir Radojević, B.Sc., Chamber of Commerce and Industry of Serbia - Belgrade Chamber of Commerce and Industry – Serbia
- Predrag Lučić, Director of the Regional Chamber of Commerce Kragujevac – Serbia

SCIENTIFIC BOARD

- Prof. Drago Cvijanović, Ph.D., Serbia – President
- Prof. Dragana Gnjatović, Ph.D., Serbia – Vice President
- Prof. Snežana Milićević, Ph.D., Serbia – Vice President
- Prof. Marija Mandarić, Ph.D., Serbia – Vice President
- Prof. Marija Kostić, Ph.D., Serbia – Vice President
- Asst. Prof. Aleksandra Mitrović, Ph.D., Serbia – Vice President
- Asst. Prof. Dejan Sekulić, Ph.D., Serbia – Vice President
- Prof. Adil Kurtić, Ph.D., Bosnia and Herzegovina
- Prof. Adrian Stancu, Ph.D., Romania
- Prof. Adrian Turek Rahoveanu, Ph.D., Romania
- Prof. Agatha Popescu, Ph.D., Romania
- Prof. Agibalov Aleksandr Vladimirovich, Ph.D., Russia
- Prof. Alan Randall, Ph.D., Australia
- Prof. Aleksandar Ivanovski, Ph.D., Serbia
- Prof. Aleksandar Ostojić, Ph.D., Republic of Srpska, Bosnia and Herzegovina
- Prof. Aleksandar Petrović, Ph.D., Serbia
- Prof. Aleksandra Despotović, Ph.D., Montenegro
- Prof. Aleksandra Tešić, Ph.D., Serbia
- Prof. Alexander Trukhachev, Ph.D., Russia
- Prof. Alexandr Esaulko Nikolaevich, Ph.D., Russia
- Prof. Alexandru Stratan, Ph.D., Moldova
- Prof. Ana Langović Milićević, Ph.D., Serbia
- Prof. Anatoli Saiganov Semenovich, Ph.D., Republic of Belarus
- Prof. Andras Nabradi, Ph.D., Hungary
- Prof. Andrei Jean Vasile, Ph.D., Romania
- Prof. Andrej Baydakov Nikolaevich, Ph.D., Russia
- Prof. Andreja Borec, Ph.D., Slovenia
- Prof. Andriela Vitić-Četković, Ph.D., Montenegro
- Prof. Anna Ivolga, Ph.D., Russia
- Prof. Anna Micháľková, Ph.D., Slovak Republic
- Prof. Aurelia Felicia Stancioiu, Ph.D., Romania
- Prof. Azra Bajramović, Ph.D., Bosnia and Herzegovina
- Prof. Bahrija Umihanić, Ph.D., Bosnia and Herzegovina
- Prof. Biljana Chronos Krasavac, Ph.D., Serbia
- Prof. Biljana Veljković, Ph.D., Serbia
- Prof. Blagica Sekovska, Ph.D., North Macedonia
- Prof. Boban Melović, Ph.D., Montenegro

- Prof. Bojan Krstić, Ph.D., Serbia
- Prof. Boris Frumkin, Ph.D., Russia
- Prof. Boris Kuzman, Ph.D., Serbia
- Prof. Boško Vojnović, Ph.D., Serbia
- Prof. Božidar Milošević, Ph.D., Serbia
- Prof. Božidar Veljković, Ph.D., Slovenia
- Prof. Branko Mihailović, Ph.D., Serbia
- Prof. Camelia Gavrilescu, Ph.D., Romania
- Prof. Cane Koteski, Ph.D., North Macedonia
- Prof. Christina Yancheva, Ph.D., Bulgaria
- Prof. Claudiu Cicea, Ph.D., Romania
- Prof. Constantinos Alexiou, Ph.D., Greece
- Prof. Cvijan Mekić, Ph.D., Serbia
- Prof. Dan Boboc, Ph.D., Romania
- Prof. Dan-Marius Voicilas, Ph.D., Romania
- Prof. Danko Milašinović, Ph.D., Serbia
- Prof. Darina Zaimova, Ph.D., Bulgaria
- Prof. Darko Dimitrovski, Ph.D., Serbia
- Prof. David Jovović, Ph.D., Serbia
- Prof. Dejan Mihailović, Ph.D., Mexico
- Prof. Dejan Riznić, Ph.D., Serbia
- Prof. Denis Mušić, Ph.D., Bosnia and Herzegovina
- Prof. Desimir Knežević, Ph.D., Serbia
- Prof. Dimitre Nikolov, Ph.D., Bulgaria
- Prof. Dobrivoje Mihailović, Ph.D., Serbia
- Prof. Donatella Privitera, Ph.D., Italy
- Prof. Dorel Dusmanescu, Ph.D., Romania
- Prof. Dragan Bošković, Ph.D., Serbia
- Prof. Dragan Rajković, Ph.D., Serbia
- Prof. Dragan Stojanović, Ph.D., Serbia
- Prof. Dragan Vojinović, Ph.D., Republic of Srpska, Bosnia and Herzegovina
- Prof. Dragić Živković, Ph.D., Serbia
- Prof. Dušan Kovačević, Ph.D., Serbia
- Prof. Duško Jovanović, Ph.D., Serbia
- Prof. Đorđe Čomić, Ph.D., Serbia
- Prof. Đorđe Đuričić, Ph.D., Serbia
- Prof. Đurdica Perović, Ph.D., Montenegro
- Prof. Eirik Romstad, Ph.D., Norway
- Prof. Elena Kostyukova, Ph.D., Russia

- Prof. Elena Stoian, Ph.D., Romania
- Prof. Emira Kozarević, Ph.D., Bosnia and Herzegovina
- Prof. Enisa Omanović-Miklićanin, Ph.D., Bosnia and Herzegovina
- Prof. Ferhat Čejvanović, Ph.D., Bosnia and Herzegovina
- Prof. Gabriel Popesku, Ph.D., Romania
- Prof. Galjina Ognjanov, Ph.D., Serbia
- Prof. Georgi Genov, Ph.D., Serbia
- Prof. Goran Dašić, Ph.D., Serbia
- Prof. Goran Maksimović, Ph.D., Serbia
- Prof. Goran Petković, Ph.D., Serbia
- Prof. Goran Popović, Ph.D., Croatia
- Prof. Goran Puzić, Ph.D., Serbia
- Prof. Goran Škatarić, Ph.D., Montenegro
- Prof. Goranka Knežević, Ph.D., Serbia
- Prof. Gordana Dozet, Ph.D., Serbia
- Prof. Gorica Cvijanović, Ph.D., Serbia
- Prof. Grigorije Trifunović, Ph.D., Republic of Srpska
- Prof. Hasan Hanić, Ph.D., Serbia
- Prof. sc. Helga Maškarin Ribarić, Ph.D., Croatia
- Prof. Igor Sklyarov Ujrjevich, Ph.D., Russia
- Prof. Irina Petrovska, Ph.D., North Macedonia
- Prof. Ivan Mihailović, Ph.D., Serbia
- Prof. Ivan Milojević, Ph.D., Serbia
- Prof. Ivana Blešić, Ph.D., Serbia
- Prof. Ivana Plazibat, Ph.D., Croatia
- Prof. Ivanka Nestoroska, Ph.D., North Macedonia
- Prof. sc. Ivo Grgić, Ph.D., Croatia
- Prof. Ivo Županović, Ph.D., Montenegro
- Prof. Jasmina Bogićević, Ph.D., Serbia
- Prof. Jasmina Mijajlović, Ph.D., Serbia
- Prof. Jasmina Starc, Ph.D., Slovenia
- Prof. Jelena Petrović, Ph.D., Serbia
- Prof. Jovanka Popov Raljić, Ph.D., Serbia
- Prof. sc. Kadrija Hodžić, Ph.D., Bosnia and Herzegovina
- Prof. Katerina Angelevska-Najdevska, Ph.D., North Macedonia
- Prof. Krasimira Kaneva, Ph.D., Bulgaria
- Prof. Krunoslav Zmaić, Ph.D., Croatia
- Prof. Laszlo Karpati, Ph.D., Hungary
- Prof. Lazer Petro Narcisovič, Ph.D., Ukraine
- Prof. Leka Mandić, Ph.D., Serbia

- Prof. Lidija Barjaktarović, Ph.D., Serbia
- Prof. Lidija Simonceska, Ph.D., North Macedonia
- Prof. Lukrecija Đeri, Ph.D., Serbia
- Prof. Ljiljana Jović, Ph.D., Republic of Srpska, Bosnia and Herzegovina
- Prof. Ljiljana Kosar, Ph.D., Serbia
- Prof. Ljubiša Vladušić, Ph.D., Serbia
- Prof. Maja Ćosić, Ph.D., Serbia
- Prof. Marco Platania, Ph.D., Italy
- Prof. Margaret Loseby, Ph.D., Italy
- Prof. Marina Leshyeva Genrikhovna, Ph.D., Russia
- Prof. Marina Milovanović, Ph.D., Serbia
- Prof. Marko Ivanković, Ph.D., Bosnia and Herzegovina
- Prof. Masahiko Gemma, Ph.D., Japan
- Prof. Matteo Vittuari, Ph.D., Italy
- Prof. Mića Mladenović, Ph.D., Serbia
- Prof. Mihael Toman, Ph.D., Slovenia
- Prof. Mihai Mieila, Ph.D., Romania
- Prof. Miladin Kostić, Ph.D., Serbia
- Prof. Miladin Stefanović, Ph.D., Serbia
- Prof. Milan Antonijević, Ph.D., England
- Prof. Milan Počuča, Ph.D., Serbia
- Prof. Mile Peševski, Ph.D., North Macedonia
- Prof. Milena Jakšić, Ph.D., Serbia
- Prof. Milutin Đuričić, Ph.D., Serbia
- Prof. Miodrag Brzaković, Ph.D., Serbia
- Prof. Miomir Jovanović, Ph.D., Montenegro
- Prof. sc. Miro Barbarić, Ph.D., Bosnia and Herzegovina
- Prof. Miroslav Čavlin, Ph.D., Serbia
- Prof. Mohammed Altaf Khan, Ph.D., India
- Prof. Mohinder C. Dhiman, Ph.D., India
- Prof. Montserrat Crespi Vallbona, Ph.D., Spain
- Prof. Muhamed Brka, Ph.D., Bosnia and Herzegovina
- Prof. Nada Lakić, Ph.D., Serbia
- Prof. Nadezhda Tarasenko Vasilevna, Ph.D., Russia
- Prof. Nancy Duxbury, Ph.D., Portugal
- Prof. Natalia Nikolaevna Balashova, Ph.D., Russia
- Prof. Natalia Sergeevna Morozyuk, Ph.D., Ukraine
- Prof. Natalija Džinić, Ph.D., Serbia
- Prof. Natalya Bannikova Vladimirovna, Ph.D., Russia
- Prof. Natalya Kulish Valentinovna, Ph.D., Russia

- Prof. Nataša Ćirović, Ph.D., Serbia
- Prof. Nataša Simić, Ph.D., Serbia
- Prof. Naume Marinoski, Ph.D., North Macedonia
- Prof. Nebojša Pavlović, Ph.D., Serbia
- Prof. Nenad Georgiev, Ph.D., North Macedonia
- Prof. Nicholas Apergis, Ph.D., Greece
- Prof. Nicolae Istudor, Ph.D., Romania
- Prof. Nimit Chowdhary, Ph.D., India
- Prof. Olga Kusakina Nikolaevna, Ph.D., Russia
- Prof. Otilija Sedlak, Ph.D., Serbia
- Prof. Pavle Radanov, Ph.D., Serbia
- Prof. Pavlo Ružić, Ph.D., Croatia
- Prof. Pero Petrović, Ph.D., Serbia
- Prof. Plamena Yovchevska, Ph.D., Bulgaria
- Prof. Rade Ratković, Ph.D., Montenegro
- Prof. Radenko Stepić, Ph.D., Serbia
- Prof. Radmila Novaković-Kostić, Ph.D., Serbia
- Prof. Radojko Lukić, Ph.D. Serbia
- Prof. Rajko Tepavac, Ph.D., Serbia
- Prof. Raluca Ion, Ph.D., Romania
- Prof. Ramona Suharoschi, Ph.D., Romania
- Prof. Ranko Prenkić, Ph.D., Montenegro
- Prof. Renata Pindžo, Ph.D., Serbia
- Prof. Reuf Kapić, Ph.D., Bosnia and Herzegovina
- Prof. Rob Davidson, Ph.D., England
- Prof. Romina Alkier Radnić, Ph.D., Croatia
- Prof. Sabahudin Bajramović, Ph.D., Bosnia and Herzegovina
- Prof. Sait Engindeniz, Ph.D., Turkey
- Prof. sc. Sanda Renko, Ph.D., Croatia
- Prof. Sandra Živanović, Ph.D., Serbia
- Prof. Sanjin Ivanović, Ph.D., Serbia
- Prof. Saša Mašić, Ph.D., Serbia
- Prof. Saša Trandafilović, Ph.D., Serbia
- Prof. Sašo Kožuharov, Ph.D., North Macedonia
- Prof. Savo Vučković, Ph.D., Serbia
- Prof. Sevastita Muste, Ph.D., Romania
- Prof. Silvana Đurašević, Ph.D., Montenegro
- Prof. Simion Certan, Ph.D., Moldova
- Prof. Smiljka Isaković, Ph.D., Serbia
- Prof. Snežana Knežević, Ph.D., Serbia

- Prof. Snežana Štetić, Ph.D., Serbia
- Prof. Snežana Urošević, Ph.D., Serbia
- Prof. Sonja Jovanović, Ph.D., Serbia
- Prof. Sreten Ćuzović, Ph.D., Serbia
- Prof. Sreten Jelić, Ph.D., Serbia
- Prof. Sreten Miladinovski, Ph.D., North Macedonia
- Prof. Stane Kavčič, Ph.D., Slovenia
- Prof. Stevan Milisavljević, Ph.D., Serbia
- Prof. Stratan Alexandru, Ph.D., Moldova
- Prof. Svetimir Dragović, Ph.D., Serbia
- Prof. Svetlana Vukotić, Ph.D., Serbia
- Prof. Tamara Gajić, Ph.D., Serbia
- Prof. Tanja Angelkova Petkova, Ph.D., North Macedonia
- Prof. Tanja Mihalič, Ph.D., Slovenia
- Prof. Tatjana Cvetkovski, Ph.D., Serbia
- Prof. Tatjana Đekić, Ph.D., Serbia
- Prof. Tatjana Stanovčić, Ph.D., Montenegro
- Prof. Tetyana Mostenska, Ph.D., Ukraine
- Prof. Thomas Glauben, Ph.D., Germany
- Prof. Tibor Sabo, Ph.D., Serbia
- Prof. Toma Dinu, Ph.D., Romania
- Prof. Vaibhav Birwatkar, Ph.D., England
- Prof. Vasily Erokhin, Ph.D., China
- Prof. Velibor Spalević, Ph.D., Montenegro
- Prof. Veljko Marinković, Ph.D., Serbia
- Prof. Veronika Joukes, Ph.D., Portugal
- Prof. Vesela Radović, Ph.D., Serbia
- Prof. Victor Manole, Ph.D., Romania
- Prof. Vidoje Stefanović, Ph.D., Serbia
- Prof. Vidoje Vujić, Ph.D., Croatia
- Prof. Viera Kubičková, Ph.D., Slovak Republic
- Prof. Vihren Bouzov, Ph.D., Bulgaria
- Prof. Viktor Nedović, Ph.D., Serbia
- Prof. Viktoriia Hranovska, Ph.D., Ukraine
- Prof. Vincent Dolle, Ph.D., France
- Prof. Vladan Ugrenović, Ph.D., Serbia
- Prof. Vladimir Senić, Ph.D., Serbia
- Prof. Vladimir Zakić, Ph.D., Serbia
- Prof. William H. Meyers, Ph.D., USA
- Prof. Wim Heiman, Ph.D., Netherlands

- Prof. Zdravko Petrović, Ph.D., Austria
- Prof. Zlatko Jakovlev, Ph.D., North Macedonia
- Prof. Zlatko Langović, Ph.D., Serbia
- Prof. Zoran Grgić, Ph.D., Croatia
- Prof. Zoran Njegovan, Ph.D., Serbia
- Prof. Zoran Rajić, Ph.D., Serbia
- Prof. Zorica Sredojević, Ph.D., Serbia
- Prof. Zorica Vasiljević, Ph.D., Serbia
- Prof. Ing. Zuzana Palkova, Ph.D., Slovak Republic
- Prof. Žarko Lazarević, Ph.D., Slovenia
- Prof. Željko Dolijanović, Ph.D., Serbia
- Prof. Željko Vaško, Ph.D., Republic of Srpska, Bosnia and Herzegovina
- Asst. Prof. Aleksandar Đurić, Ph.D., Republic of Srpska, Bosnia and Herzegovina
- Asst. Prof. Aleksandra Figurek, Ph.D., Bosnia and Herzegovina
- Asst. Prof. Andrej Mićović, Ph.D., Serbia
- Asst. Prof. Blaženka Piuković Babičković, Ph.D., Serbia
- Asst. Prof. Branislav Dudić, Ph.D., Slovak Republic
- Asst. Prof. Branislav Živković, Ph.D., Serbia
- Asst. Prof. Danijel Mlinarić, Ph.D., Croatia
- Asst. Prof. Dhananjay Mani Tripathi, India
- Asst. Prof. Dragan Janjušić, Ph.D., Serbia
- Asst. Prof. Dragana Pešić, Ph.D., Serbia
- Asst. Prof. Dražen Marić, Ph.D., Serbia
- Asst. Prof. Gordana Radović, Ph.D., Serbia
- Asst. Prof. Grujica Vico, Ph.D., Republic of Srpska, Bosnia and Herzegovina
- Asst. Prof. Iva Bulatović, Ph.D., Montenegro
- Asst. Prof. Ivana Domazet, Ph.D., Serbia
- Asst. Prof. sc. Ivana Štulec, Ph.D., Croatia
- Asst. Prof. Jovan Rudež, Ph.D., Serbia
- Asst. Prof. Lazar Stošić, Ph.D., Serbia
- Asst. Prof. Luis Tiberio, Ph.D., Portugal
- Asst. Prof. Ljiljana Tomić, Ph.D., Republic of Srpska
- Asst. Prof. Marija Lakićević, Ph.D., Serbia
- Asst. Prof. Marija Stojanova, Ph.D., Bulgaria
- Asst. Prof. Miljan Leković, Ph.D., Serbia
- Asst. Prof. Miško Rađenović, Ph.D., Montenegro
- Asst. Prof. Nenad Bingulac, Ph.D., Serbia
- Asst. Prof. Nenad Đurić, Ph.D., Serbia

- Asst. Prof. Nenad Ivanišević, Ph.D., Serbia
- Asst. Prof. Nikola Njegovan, Ph.D., Serbia
- Asst. Prof. Nina Maksimović Sekulić, Ph.D, Serbia
- Asst. Prof. Radomir Jovanović, Ph.D., Serbia
- Asst. Prof. Ratko Ljubojević, Ph.D., Serbia
- Asst. Prof. Srđan Lalić, Ph.D., Bosnia and Herzegovina
- Asst. Prof. Srđan Milošević, Ph.D., Serbia
- Asst. Prof. Sretenka Dugalić, Ph.D., Serbia
- Asst. Prof. Ing. Stefan Buday, Ph.D., Slovak Republic
- Asst. Prof. Sunčica Milutinović, Ph.D., Serbia
- Asst. Prof. Tanja Stanišić, Ph.D., Serbia
- Asst. Prof. Vesna Milovanović, Ph.D., Serbia
- Asst. Prof. Vesna Mrdalj, Ph.D., Bosnia and Herzegovina
- Asst. Prof. Viktorija Petrov, Ph.D., Serbia
- Asst. Prof. Vladimir Shibaykin, Ph.D., Russia
- Asst. Prof. Zoran Srzentić, Ph.D., Serbia
- Asst. Prof. Željko Vojinović, Ph.D., Serbia
- Aleksandra Radovanović, Ph.D., Serbia
- Aleksandra Vujko, Ph.D, Serbia
- Corina Ene, Ph.D., Romania
- Crina Turtoi, Ph.D., Romania
- Danica Mićanović, Ph.D., Serbia
- Dimitrije Vujadinović, Ph.D., Serbia
- Gianluca Rossoni, Ph.D., Italy
- Hadži Dušan Petrović, Ph.D., Serbia
- István Kapronczai, Ph.D., Hungary
- Ivana Markov Čikić, Ph.D., Serbia
- Jacqueline Tanti-Dougall, Ph.D, Malta
- Jelena Marinković, Ph.D., Serbia
- Jovanka Kalaba, Ph.D., Serbia
- Klaus Wagner, Ph.D., Austria
- Sc. Kristina Brščić, Ph.D., Croatia
- Lucian Luca, Ph.D., Romania
- Marek Wigier, Ph.D., Poland
- Sc. Marinela Dropulić Ružić, Ph.D., Croatia
- Matteo Vittuari, Ph.D., Italy
- Milorad Mišo Zekić, Ph.D., Serbia
- Milutin Mrkša, Ph.D., Serbia
- Nada Kosanović, Ph.D., Serbia
- Rade Jovanović, Ph.D., Serbia

- Slavka Križova, Ph.D., Slovak Republic
- Stefan Imre, Ph.D., Romania
- Svetlana Balešević-Tubić, Ph.D., Serbia
- Tomaš Doucha, Ph.D., Czech Republic
- Vladimir Radivojević, Ph.D., Serbia
- Vladimir Varađanin, Ph.D., Serbia
- Vojin Đukić, Ph.D., Serbia
- Zbigniew Floriańczyk, Ph.D., Poland
- Sc. Zdravko Šergo, Ph.D., Croatia
- Aleksandar M. Gajić, M.Sc., Serbia
- Biljana Đuričić, M.Sc., Serbia
- Carlos Saborio Viquez, M.Sc., Costa Rica
- Cvetanka Ristova, M.Sc., North Macedonia
- Dejana Pavlović, M.Sc., Serbia
- Srđan Cvijanović, M.Sc., Serbia
- Zdravko Lešić, M.Sc., Croatia
- Oskana V. Fotina, Russia

ORGANIZATIONAL BOARD

- Asst. Prof. Miljan Leković, Ph.D., President
- Asst. Prof. Marija Lakićević, Ph.D., Vice President
- Asst. Prof. Aleksandra Mitrović, Ph.D., Vice President
- Asst. Prof. Andrej Mićović, Ph.D., Vice President
- Asst. Prof. Dejan Sekulić, Ph.D., Vice President
- Asst. Prof. Vesna Milovanović, Ph.D., Vice President
- Jelena Petrović, BA, ec., Vice President
- Saša Đurović, BA, ing.el., Vice President
- Prof. Darko Dimitrovski, Ph.D.
- Asst. Prof. Dragana Pešić, Ph.D.
- Asst. Prof. Tanja Stanišić, Ph.D.
- Aleksandra Radovanović, Ph.D.
- Jovanka Kalaba, Ph.D.
- Jovan Nićiforović, Ph.D.
- Aleksandar Mitrović, M.Sc.
- Danijela Durkalić, M.Sc.
- Irena Čelić, M.Sc.
- Jasmina Ognjanović, M.Sc.
- Marijana Seočanac, M.Sc.
- Milena Podovac, M.Sc.

- Milica Luković, M.Sc.
- Milica Popović, M.Sc.
- Nataša Đorđević, M.Sc.
- Nemanja Pantić, M.Sc.
- dr. med. Nevena Manojlović
- Nevena Vasović, M.Sc.
- Sonja Milutinović, M.Sc.
- Vladimir Kraguljac, M.Sc., dipl.ing.
- Marko Milašinović, BA, ec.
- Marija Stefanović, BA, ec.

FOREWORD

The Faculty of Hotel Management and Tourism in Vrnjačka Banja organized the fourth International Scientific Conference “*Tourism in Function of the Development of the Republic of Serbia – Tourism as a Generator of Employment*” that was held in Vrnjačka Banja from May 30th to June 1st, 2019. For the purpose of this year’s Conference, 85 scientific papers were presented by 156 participants coming from India, Portugal, Russia, Tanzania, Romania, Bulgaria, North Macedonia, Bosnia and Herzegovina, Montenegro, Croatia and Serbia.

The Conference is organized in the function of exchanging ideas and experience of the participants coming from Serbia and abroad for the purpose of future tourism development, with the special emphasis given to the role and importance of tourism in generating new jobs, reducing the unemployment and increasing the living standard of the population of the Republic of Serbia and other countries.

The Thematic Proceedings, as a result of the Conference, are published in two volumes, and will be available to a wider audience, scientifically and practically focused on tourism-related multidisciplinary issues.

Publishing of Thematic Proceedings was financially supported by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

Vrnjačka Banja,
June, 2019

Editors

Drago Cvijanović, Ph.D.
Andrei Jean Vasile, Ph.D.
Nikola Dimitrov, Ph.D.
Arja Lemmetyinen, Ph.D.
Pavlo Ružić, Ph.D.
Cvetko Andreeski, Ph.D.
Dragana Gnjatović, Ph.D.
Tanja Stanišić, Ph.D.
Andrej Mićović, Ph.D.
Miljan Leković, Ph.D.

TABLE OF CONTENTS

INTERNAL DESTINATION DEVELOPMENT: A CASE OF CAPACITY BUILDING IN INDIA	
Monika Prakash, Nimit Chowdhary	27-45
AGRITOURISM AS A FACTOR OF RURAL DEVELOPMENT	
Boris Frumkin	46-63
CREATIVE TOURISM IN SMALL CITIES AND RURAL AREAS: LESSONS FROM THE CREATOUR PROJECT, PORTUGAL	
Nancy Duxbury	64-81
TOURISM OR NOT? A REPORT FROM THE SOUTH BAČKA DISTRICT	
Drago Cvijanović, Tamara Gajić	82-99
PLANNING MARKETING COMMUNICATION INSTRUMENTS AS A PRIORITOR OF EFFECTIVENESS FOR TOURISM (TOURIST) DESTINATIONS	
Ana Langović-Milićević, Milica Kostić-Stanković	100-117
FOSTERING RURAL TOURISM DEVELOPMENT – QUADRUPLE HELIX MODEL APPROACH	
Jelena Ješić, Radovan Pejanović	118-135
VALORIZATION OF THE FACTORS FOR DEVELOPMENT OF RURAL TOURISM IN THE MUNICIPALITY OF DEBARCA, THE REPUBLIC OF MACEDONIA	
Nikola V. Dimitrov, Aleksandra Terzić	136-152
LIVESTOCK AND TOURISM DEVELOPMENT AS A CONSERVATION CONCEPT OF THE SPECIFICITY OF RURAL AREA IN THE MUNICIPALITY OF PETROVAC ON MLAVA	
Cvijan Mekić, Milivoje Ćosić	153-171

**AGROTOURISM AS A FACTOR OF RURAL
DEVELOPMENT OF SIRINIĆ DISTRICT IN KOSOVO
AND METOHIJA**

Goran Maksimović, Božidar Milošević 172-186

**MODALITIES OF RURAL TOURISM FINANCING IN
EUROPEAN UNION**

Gordana Radović, Zorica Vasiljević 187-203

**COMMON AGRICULTURAL POLICY AND THE
ROMANIAN AGRICULTURE – A DRAFT COMPARISON
APPROACH**

Jean Vasile Andrei, Iuliana Denisa Radulescu 204-221

**TOURISM OF THE FUTURE CONTRARY TO THE
FUTURE OF TOURISM**

Vidoje Stefanović, Nedžad Azemović 222-239

**TOURISM, DEVELOPMENT AND ITS DISTINCTIVE
FEATURES IN MODERN SOCIETY**

Nebojša Pavlović, Nataša Simić 240-255

**SOCIAL AND ECONOMIC ASPECTS OF SUSTAINABLE
DEVELOPMENT: THE EXAMPLE OF ACCESSIBLE
TOURISM**

Ivo Županović, Dragana Zečević 256-272

**STAKEHOLDERS IN SUSTAINABLE TOURISM
DEVELOPMENT**

Biljana Pejaska Risteska 273-289

**TOURISM DEVELOPMENT IN SERBIA – BETWEEN
RHETORIC AND REALITY**

Milan Stamatović, Aleksandar Jovičić 290-309

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

Mihailo Ćurčić, Branislav Živković 310-326

**EDUCATIONAL TOURISM FOR THE SUSTAINABLE
DEVELOPMENT OF SERBIA**

Dobriša Lukić, Slađana Anđelković 327-345

POTENTIALS AND PRIORITIES FOR INTEGRATED AND SUSTAINABLE TOURISM DEVELOPMENT OF DANUBE TOURISM DESTINATIONS IN SERBIA	
Vladica Ristić, Marija Maksin	346-363
PLACE AND THE ROLE OF ACTIVITIES OF TOURISM AND HOSPITALITY IN THE SERVICE SECTOR OF THE REPUBLIC OF MACEDONIA	
Risto Gogoski	364-381
IMPACT OF TOURISM ON ECONOMIC DEVELOPMENT OF SERBIAN MOUNTAIN AREAS	
Nikola Vidović, Milenko Dželetović	382-397
TOURISM DEVELOPMENT LIMITATIONS AND TOURIST TRAFFIC ANALYSIS IN SOUTH AND EASTERN SERBIA	
Dragana Ilić, Predrag Stamenković	398-414
INFLUENCE OF KAJMAK AS A CULTURAL ASSET ON THE GROWTH OF THE TOURIST OFFER OF WESTERN SERBIA	
Marina Bugarčić, Jovan Bugarčić	415-430
DEVELOPMENT OF TOURISM AND LOCAL ECONOMIC DEVELOPMENT	
Jovan Rudež, Srđan Drobnjak	431-449
EXAMINING THE SUPPORT OF THE LOCAL COMMUNITY FOR THE DEVELOPMENT OF SUSTAINABLE MINING TOURISM	
Darko Dimitrovski, Vladimir Senić	450-468
TOURISM AS A CATALYST FOR LOCAL ECONOMIC DEVELOPMENT IN THE MUNICIPALITY OF VRNJAČKA BANJA	
Marija Lakićević, Milica Žarevac Bošković	469-485
THE IMPACT OF TOURISM ON ECONOMIC GROWTH AND DEVELOPMENT: THE CASE OF THE CITY OF VALJEVO	
Vladimir Malinić	486-501

FELIX ROMULIANA: ANALYSIS OF CULTURE-HISTORICAL, SPATIAL AND ECONOMIC POTENTIALS	
Ivana Lončar	502-518
TOURISTIC VALORISATION OF DRAGAS MUNICIPALITY IN TOURISM DEVELOPMENT	
Šerif A ga	519-534
POSSIBILITIES FOR URBAN TOURISM DEVELOPMENT IN THE MUNICIPALITY OF CAIR	
Sasho Korunovski, Michael Risteski	535-552
IMPACT OF TOURISM ON THE QUALITY OF THE ENVIRONMENT IN THE FIELD OF PROTECTED AREAS	
Milan Počuča, Jelena Matijašević-Obradović	553-569
TOURISM IN FUNCTION OF DEVELOPING MAVROVO AS MOST PROTECTED AREA IN MACEDONIA	
Naume Marinoski, Ivanka Nestoroska	570-586
SMEs IN THE DEVELOPMENT OF TOURISM IN THE AREA OF THE CRNA REKA BASIN IN THE REPUBLIC OF MACEDONIA	
Cane Koteski, Marija Magdincheva-Shopova	587-602
HOW TO PLAN THE DEVELOPMENT OF CYCLE TOURISM? – EXAMPLE OF ISTRIA COUNTY	
Kristina Brščić, Katarina Lovrečić	603-620
ECONOMIC ANALYSIS OF FACTORS AFFECTING THE DEMAND FOR DESTINATION DEVELOPMENT	
Svetlana Ignjatijević, Jelena Vapa Tankosić	621-637
POSSIBILITIES FOR APPLICATION OF ECONOMIC ANALYSIS MODEL	
Predrag Jovičević, Milan Mihajlović	638-653
ECONOMIC ANALYSIS OF TOURISM INDUSTRY IN ZANZIBAR	
Ramadhani Issa Hemed, Duško Jovanović	654-671

**PERFORMANCE INDICATORS FOR MEASURING
TOURISM DESTINATION COMPETITIVENESS WITH A
FUZZY METHOD**

Zoran Ćirić, Otilija Sedlak 672-686

**PROSPECTS OF MEDICAL TOURISM DEVELOPMENT
IN SERBIA**

Tijana Ljubisavljević, Sandra Živanović 687-704

**SCHUMANN RESONANCE: NEW ASPECTS FOR
TOURISM DEVELOPMENT**

Biljana Petrevska, Risto Popovski 705-722

**TOURISM DEVELOPMENT STRATEGIES: NEW
ASPECTS TAILORED UPON THE SCHUMANN
RESONANCE**

Mimoza Serafimova, Risto Dambov 723-741

**GLOBAL EARTH MAGNETIC FIELD AND
RECREATIONAL ENVIRONMENT: ISSUES TO BE
ADDRESSED**

Vlatko Cingoski 742-759

**THE PROCEDURE OF THE PERFORMANCE AUDIT OF
HEALTH TOURISM FINANCING BY VOUCHERS IN
THE REPUBLIC OF SERBIA**

Jelica Eremić-Đodić, Aleksandra Tomić 760-775

INTERNAL DESTINATION DEVELOPMENT: A CASE OF CAPACITY BUILDING IN INDIA

Monika Prakash¹; Nimit Chowdhary²;

Abstract

India is a fast-emerging tourist destination. It has captured the imagination of visitors from around the world who find it fascinating and much different from their own cultures and routine. India is an emerging economy with its share of challenges. The Ministry of Tourism, Government of India, doubles up as the NTO for the destination. It, therefore, owns up the responsibility both for marketing the destination and developing the destination. India is perhaps the only example of having an internal marketing campaign targeted at internal stakeholders educating them about how to conduct themselves before the visitors. The NTO also rolls out ambitious capacity building programmes for all tourism stakeholders, particularly those who are likely to come in direct contact with the visitors. The NTO is conscious of the fact that the quality of a visitor's experience whenever they interact with any service provider or host community must be superior. This paper outlines the various initiatives of the NTO of India, to build the capacity of multiple stakeholders.

Key Words: *internal destination development (IDD), destination marketing triangle, internal marketing, Atithi Devo Bhava, India*

JEL classification: M3

Introduction

Indian tourism is growing at a steady pace. It is estimated that in 2018 tourism contributed approximately 7.5 % of the GDP which is expected to rise to 9.4% in 2022 (World Travel and Tourism Council, 2018).

¹ Monika Prakash, Dr, Professor and Nodal Officer, Indian Institute of Tourism and Travel Management, A 36, Sector 62, Noida 201301 UP India, +91.99774.00882, monika.prakash@iittmnoida.ac.in

² Nimit Chowdhary, Dr, Professor and Head, Department of Tourism and Hospitality Management, Jamia Millia Islamia (University), New Delhi 110025 India, +91.99774.00881, nchowdhary@jmi.ac.in

According to this report tourism also accounted for more than 42.6 million jobs which are around 8.1 % of the total employment. India is also ranked 7th in terms of the relative importance of travel and tourism's contribution to GDP. This story of tourism development began in 2002-03 when India launched the *Incredible India* campaign. This campaign was also the recognition that tourism is going to be a significant contributor to India's economy over time. India's share of global foreign tourist arrivals has steadily increased from 0.34% in 2002 to 1.18% in 2016. Apex national planning body of India, the NITI Aayog, has set an aggressive target to boost India's global market share of tourist arrivals from 1.18% in 2016 to 3% over next five years (PTI, 2018). The story of the growth of Indian tourism over the years is also the story of how India has evolved as a tourist destination. Humongous efforts have gone into the dynamics of the destination. This discussion draws from related academic concepts and constructs that have developed in the process.

Destination marketing triangle

Destination marketing triangle is a conceptual framework for making sense of the three-way relationships in marketing a tourist destination. Like any marketing initiative, one of the critical components of the model is the Destination Management Organisation (DMO) which makes a promise to the potential visitors, the guest. For example, when India promises an Incredible India, it promises an 'incredible experience' for the visitors who visit India. Similarly, when New Zealand says "100 % Pure New Zealand" they promise an unadulterated, un-spoilt 'nature' for its visitors. However, the DMO or destination leadership only makes the promise. It is hundreds of independent service providers like the tour operator, the tourist guide, the restaurateur, the hotelier, the cab driver, the merchandiser, or the police on the streets or even the general public at the visited destination who create and deliver experience (read value) for the tourists. It may also be noted that these service providers are independent of each other. They may not be related to each other, though they may come together as a part of the package. Thus, the destination leadership -the DMO, the tourists and the tourism service providers form the three vertices of the destination triangle (see figure 1).

Thus, it is apparent that a tourist's experience at a destination is co-created by a selection of service providers. These service providers are otherwise independent enterprises with their vested interest. They

consciously come together to complete the tourism supply chain for the visitors.

Figure 1: *The destination marketing triangle*



Source: Chowdhary, 2017

However, many other participants contribute to a visitor's experience but may not be conscious of the promises made by the DMO. They fail to understand how encouraging and selling tourism at their place would also benefit them. With differences in interests, stakeholders find it difficult to associate with the benefits of tourism. These stakeholders are not paid employees of any firm. A chance interaction of a visitor with a country dweller in a far-flung hamlet is very much a part of her experience. Similarly, a roadside seller who sells a chilled beer in the scorching heat, or a concierge who helps her at the hotel reception or the airport, or a cab driver who takes her around Singapore as a qualified tourist guide, or the tour manager of the local tourism company are all part of a visitor's experience. Gowreesunkar et al. (2009) suggest that there is a complicated relationship among the hosts (and other suppliers) and the tourist destination.

Internal marketing for destination development

Different terms are used for the various arms of the destination marketing triangle. Figure 2 summaries the terminology used in the destination triangle (Chowdhary, 2017).

Figure 2: *Terminology used in destination marketing triangle*



Source: Chowdhary, 2017

In their book, Cooper & Hall (2008) bring out the interdependency and co-creation aspects of tourism. These are prerequisites in shaping a visitor's experience at a place. It is incumbent upon the destination leadership to take together all stakeholders and lead and continually remind them to remain focused on the promise that has been made to the visitor segment. Tourism is a transient experience, and the interface with the stakeholders is the most noticeable and palpable cue. Challenge for the destination leadership is to help these different stakeholders evolve into propagandists and campaigners for the DMO and the destination.

It is generally agreed that internal marketing is the application of principles of marketing within the organisation to teach customer centric values. However, this is not limited to only communicating with the internal stakeholders. Internal marketing is a comprehensive approach to empower ‘internal publics’ to create value. Researchers have brought out various constructs that interpret internal marketing (See table 1).

Table 1: *Interpreting Internal marketing*

Inter-functional coordination and integration	Winter, 1985 Narver & Slater, 1990 Glassman & McAfee, 1992
Customer orientation	Gronroos, 1981
Marketing like approach	George, 1990
Job satisfaction	George, 1990 Nahavandi, Caruana, & Farzad, 2008
Empowerment	Gronroos, 1981 Berry & Parasuraman, 1991 Rafiq & Ahmed, 1998
Stakeholder’s motivation	Cahill, 1996 Rafiq & Ahmed, 1998; Nahavandi, Caruana, & Farzad, 2008
Stakeholder’s development	Piercy & Morgan, 1989 Foreman & Money, 1995
Quality of services	Berry & Parasuraman, 1991
Vision of the firm	Foreman & Money, 1995
Strategic reward	Ahmed, Rafiq, & Saad, 2003
Rewards	Lee-Ross, 1999
Commitment	Gummesson, 1994
Training and development	Nahavandi, Caruana, & Farzad, 2008
Senior leadership	Ahmed, Rafiq, & Saad, 2003
Internal communication	Ahmed, Rafiq, & Saad, 2003 Schultz, 2006

Citing (Cahill, 1996), Gowreesunkar et al. (2009) maintain that without internal marketing there could be no external marketing of tourism. The willingness of the host community to entertain tourists within their living environments, in the longer run, determines the perception and

satisfaction of visitors to a place. Local tourism firms and operators have consent for their activities from the host community in their (community's) willingness to have tourism at the destination. Cooper & Hall (2008) suggests that tourist destinations must have an internal marketing approach whereby efforts must be made to seek commitment and involvement of all the destination partners and especially the tourists. Chi & Qu (2008) conclude that overall satisfaction with hospitality experience is dependent on satisfaction with different components/features of all the goods and services. These may include elements like the quality of accommodation, weather conditions, natural environment, social milieu, etc. that sums up the experience for the visitors.

Further, it is crucial that the acceptance of the stakeholders at a destination is obtained. This acceptance is necessary and is achieved through intra-destination communication (Johnson & Scholes, 1989). Gowreesunkar et al. (2009) argue that internal communication at the destination must be accorded importance as part of the internal marketing process. Such communication will also help in extracting ideas, knowledge (implicit and explicit), information and useful feedback from relevant stakeholders like the host community, the service suppliers, public authorities and the local trade associations. It is argued that this will lead to close partnering of the stakeholders for the design and delivery of the tourism products. Internal communication is therefore vital for destination marketing, where loosely linked independent parties need to come together to reconstruct an intangible ephemeral experience for the visitors. One such campaign is the '*Atithi Devo Bhava*' campaign of the Ministry of Tourism, Government of India. Such drives are public will campaigns by the DMOs for behaviour modification.

While the concept of destination marketing triangle is commonly used, there is limited empirical evidence for the same (Gowreesunkar et al., 2009).

Internal destination development

Presenza et al. (2005) suggest that essentially, DMO has two broad functions- one, External Destination Marketing (EDM) and two, Internal Destination Development (IDD). External Destination Marketing is basically about external marketing function of the destination marketing triangle. It is about reaching out to the target audiences and making an attractive offer. This offer is expected to lure visitors to the destination.

These promises must then be delivered. Delivering this promise is the responsibility of the various independent service providers at the destination. According to the authors, facilitating the creation of these service providers, encouraging them continually, and taking them together and enabling them to deliver the promise is Internal Destination Development (IDD). Arbogast et al. (2017) suggest that IDD comprises of all activities of the DMO that are internal to the destination and help in developing and maintaining tourism at the said destination. These initiatives are internal and have a little direct impact on the visitors. Internal Destination Development activities include entrepreneurship development at the destination including financing of the ventures, managing crisis if any, management of the visitor, ensuring superior visitor experience, researching the visitor behaviour and expectations, keeping a record of visitations, expenses, etc. IDD activities also include leading the various service providers towards fulfilling tourist expectations at the destination, human resource development at the place including educating the stakeholders. IDD will also include liaison between the destination, its service providers and policymakers and establishment at various levels. The ability of the DMO to manage the destination is correlated with its (DMO's) ability to coordinate the internal stakeholders (Kaurav et al., 2015).

The concept of internal marketing can be captured in the advice of Herb Keller the founder and then chairperson of Southwest Airlines who advised that employees are the most valuable customers of the company. Every company should take care of its employees who in turn will be committed and motivated to take good care of the customers. If customers are happy, they will continue to do business and more business with the company. The company will be benefitted.

The advice is equally applicable to a destination. Instead of the employees, numerous service providers contribute to the experiences. For these experiences to be superior, the service providers must believe in the promise made to the visitors. They must feel capable and confident to deliver the services. Since these service providers are not employees, it is rather tricky for the destination leadership to control their actions. The control is affected through visioning and buying in compliance with the promises made. The destination leadership must be creative enough to reach out to various stakeholders with their ideas and ensure that the service providers are capable enough of meeting the expectations of the

visitors. It is therefore of any destination leadership to invest in capacity building.

Atithi Devo Bhava- Internal marketing campaign in India

India is perhaps the only country that has a consciously conceived internal marketing campaign. Following the launch of *Incredible India* campaign in 2002 targeted at visitors, the government launched a comprehensive internal marketing campaign- *Atithi Devo Bhava* which can be translated as "guest is god". This shloka (phrase) is borrowed from ancient Sanskrit texts. The idea is to reach out to the various stakeholders reminding them that they need to treat their guests (visitors) with utmost care and compassion. They must conduct themselves accordingly.

Figure 3: Screen captures from campaign TV commercials



Asking locals to intervene if someone is harassing the visitors. Also explains the benefits of tourism.



Eliciting autorickshaw drivers to be good to the visitors.



Asking host community to extend care and hospitality to visitors even in the remotest places.



Messaging students and Eliciting community to keep the monuments clean and not to deface them.

Source: *various*

‘*Atithi Devo Bhava*’ is a social awareness campaign that is aimed at shaping ‘public will’. It is expected that the campaign will encourage stakeholders to demonstrate courteous and empathetic behaviour towards visitors. The campaign is directed at the host community as a whole, though concentrating primarily on the key players of the tourism industry.

The key and most visible initiative, in the programme, is about educating the relevant stakeholders for appropriate behaviour. Over the years, the Ministry of Tourism has supported TV and print commercials developed around this theme. One of the leading cine stars, Mr Amir Khan was roped in as the main protagonist in the campaign that went on air beginning January 21, 2009. The campaign was found to be quite useful (Chowdhary et al., 2011). Besides this, the other components of the campaign include training and orientation for taxi and cab drivers, tourist guides, immigration officers and tourist police among others.

Capacity building in India

David L. Edgell every year discusses and brings out ten important world tourism issues on TRINET. Topics listed for 2020 include (8) maintaining a sustainable, engaged, skilled and experienced workforce to deliver quality tourism experiences. Capacity building at a destination is, therefore, a key component of destination development strategy.

India's position as a significant player in the international tourism market is primarily due to its increasing capability to create a cascade of million superior experiences for the visitors. Such liveliness of experience is a result of the ambitious scheme of Government of India to help create a good experience for the visitors. During a visitor's transcend through a destination, he/she comes across hundreds of service encounters. Most of these service encounters involve some stakeholders like a guide, or a cab driver, or a police officer, or a shopkeeper, or a waiter in a bar or restaurant, or even executives managing the front desks in organisations. The government has committed itself to help in training the service providers in these encounters so that they interact professionally with the guests and create a warm and cordial experience for them.

As the national DMO, Ministry of Tourism, Government of India has rolled out several capacity building initiatives. They can be roughly classified under three broad categories. The first category is direct intervention. Here the ministry rolls out capacity building programmes through its institutions. Sometimes it also involves the organisations outside its ambit. Second is the institutional development- where the ministry has set up institutions for formal education in tourism and hospitality. And, finally the supporting role, where ministry reaches out to academic and training institutions outside its ambit and support them for

strengthening their infrastructure and organising tourism and hospitality programmes.

A. Direct intervention

Ministry of Tourism, Government of India, is keen on ensuring that the individual service encounters are satisfying for the visitors. They would like to see that the service provider is trained so that he/ she can deliver a superior experience for the guests. Most of these capacity building programmes are offered through its institutions and with support from the public and private academic institutions. One such initiative is the training of tourist guides. Visitors spend a significant amount of their time with tour guides and leaders. Ministry has been organising comprehensive tourist guide training programmes through its Indian Institute of Tourism and Travel Management (IITTM). The ministry has recently launched another online programme called Tour Facilitator Programme to address the increasing demand of experts to accompany the visitors. Existing tourist guides can also upgrade their skills by participating in Refresher Programmes. The government highly subsidises all these programmes. Then there is a programme called *Paryatak Mitra* which can be translated as ‘Friend of a Tourist’. *Paryatak Mitra* is a short programme for tourism volunteers who can assist visitors at chosen destinations. For example, one such programme was organised for Boatmen in the city of Varanasi.

Ministry also realised that immigration officers are the first touch point for international visitors. It, therefore, decided to organise regular training for improving interpersonal skills of the immigration officer posted at all international airports in India.

Similarly, Ministry organises training for police to handle visitors. A lot of guests visit famous temples in India. The priests in these temples have no training to treat guests. It is also left to the ingenuity of state governments to conceptualise the training needs of service providers within their destinations. They may put up proposals to the federal government for financial support. There can be training for cab drivers, homestay and B&B owners, walk leaders, etc.

Another great set of training is under the ambit of *Hunar Se Rozgar Tak* scheme. This phrase may be translated as "From Skill to Employment" scheme. The programme is targeted at hospitality trade skills training for school dropouts. This scheme is executed by the Ministry's institutions,

private and public hospitality schools. These institutions recruit unemployed youth for 6 to 8-week training and assist them in job placements. It has been recognised that there is a large pool of skilled and semi-skilled individuals who have acquired the skills while doing their job. However, they have no formal training or certification for the same.

Skill Testing and Certification, (STC) is a week-long programme introduced by the Ministry where these individuals are tested for their existing expertise. Once the skills are enhanced and fine-tuned, then they are certified for the craft.

B. Institutional development

Government has invested significantly in raising tourism and hospitality related institutions in all parts of the country. These institutions are responsible for teaching, training and outreach programmes. They are also responsible for executing capacity building schemes and programmes on behalf of the Ministry of Tourism, Government of India. The premier tourism institute is the Indian Institute of Tourism and Travel Management (IITTM). IITTM has five campuses in different regions of the country. Besides training, they offer undergraduate and graduate programmes in tourism. Ministry also has two specialised training institutes viz., National Institute of Water Sports (NIWS) in Goa and Indian Institute of Mountaineering and Skiing (IIMS) at Gulmarg in Kashmir.

For ensuring quality hospitality education ministry has created a National Council for Hotel Management and Catering Technology (NCHMCT). NCHMCT overlook 21 centrally funded Institutes of Hotel Management, 91 State-funded institutes which offer hotel management programmes at undergraduate and graduate levels. There are nine Food Craft Institute which offers shorter-term diploma and certificate programmes. Ministry has recently established two Indian Culinary Institutes. Together these institutes provide 11 different types of programmes.

C. Supporting role

Ministry of Tourism, Government of India, also provides support to universities for imparting hospitality education. Under its scheme for central Financial Assistance, it offers financial support for establishing hospitality education infrastructure. Ministry also empanels private

bodies, institutions and organisations as training providers for hospitality trades. Recently the government has also launched entrepreneurship development programmes.

Besides the above three categories, there is some capacity building support outside the ambit of the Ministry of Tourism, Government of India.

Analysis, conclusion, and recommendations

Capacity building at the destination is an investment where the benefits may not be directly observable. However, strategic capacity building plays a vital role in many ways:

1. It helps reinforce the destination image. Destination leadership has the freedom to choose and conceive a destination image. Once it is agreed upon what the destination will look like, what would it mean to the visitors, what could they expect during their stay, etc., the destination stakeholders may choose to align their offers with this image? This alignment would be with the physical space, architecture and palpable/tangible elements of the presented place. Service providers can fine tune their mannerism, presentation etc. in line with the image of choice. This is the first step towards creating a discernable destination personality which the visitors can use to differentiate one's destination from the competition.

2. Visitor's rate their travel experience based on the evaluation of their service encounters during their trip. Most of these encounters involve the presence of service providers. It is a resolve of India tourism to ensure that each of such meetings returns a captivating experience for our guests. In a fiercely competitive tourism market, it is vital that destination leadership is conscious of the importance of capacity building for superior visitor experience.

3. A KPMG report on human resource skill requirements in the travel, tourism and hospitality sector (Volume 24), suggests that there would be a requirement of 13.44 million direct jobs in the tourism and hospitality sector. Besides this, there is a high reported rate of attrition in the hospitality sector. In QSR it is reported as high as 99.5% whereas in hotels and restaurants it is 40-50%. Further, the demand is seasonal. Another report (WTTC, 2015) suggests that India likely to do pretty good

in managing the demand-supply balance in the tourism and hospitality sector between 2014-2024 (Oxford Economics, 2015).

Thus, the industry will be continually looking for people to work for them. As discussed earlier, the sector is hugely unorganised, and therefore the destination leadership should take definitive steps to bridge this demand-supply gap.

4. Besides the quantitative gap, the industry is also beleaguered by the mismatch of desired and available skills. While the curriculum is not-standard, there is a supply of workforce who may not necessarily be employable. Ministry of Skill Development, Government of India, is involved in a comprehensive skilling mission. A National Skill Qualification Framework (NSQF) has been created to take care of vocational skills requirement of the various sectors including tourism and hospitality sector. The Tourism and Hospitality Skill Sector Council (THSC) has been entrusted with the responsibility of developing job roles, National Occupational Standards (NOS) and qualification packs. Ministry of Tourism is involved in capacity building under the precincts of NSQF.

5. The tourism industry is mainly unorganised and comprises of a large number of small and micro-sized players. Unlike larger enterprises in other sectors of the economy, it is often difficult for them to design and organise human resource development programmes. Being small and driven by cost consciousness, there is often a high turnover of employees in these smaller tourism firms. On the other hand, for a place to be positioned as a tourist destination, it requires good participation of private enterprise. These companies, in turn, must survive the challenges that they face including the one of a shortage of qualified/ trained human resource. It is, therefore, the responsibility of the destination's leadership to ensure that there is a ready pool of qualified people who can work for these tourism and hospitality related companies. DMOs can decide to shape it themselves as in case of many developing/ emerging economies. Alternately, they must facilitate such capacity building which has to be a continuous, uninterrupted effort.

6. Tourism and hospitality are a dynamic industry where the tastes and preferences of the patrons dynamic and fast changing. Unfortunately, there is an ample supply of drone and Fabian tourism enterprises. The sector today depends mainly on the ability of service providers to create

and deliver unique experiences each time and every time. The destination leadership should, therefore, build capacity in terms of creative endeavours. Destinations desperately need an unabated supply of creative human power.

7. For a destination to thrive tourism entrepreneurs must be forthcoming to set up firms that complete the tourist value chain. An emerging destination needs more entrepreneurs to take care of supply in terms of accommodation, hospitality, tour operations, transport, activities and amenities for the visitors. Mostly these entrepreneurs will come from the host community and its collective resolve to be presented as a tourism destination. Educating the community and creating an entrepreneurial climate is the responsibility of the DMO.

A supply of a good number of entrepreneurs also means a variety of experience on offer for the visitors. This will make the destination vibrant and competitive.

8. As discussed above, a competitive destination must ensure that each touch point for the visitors should return feel-good experience for the guests. Each of their interaction with representatives of the destination/host community should contribute to their feeling glad at the visited place. They are likely to interact with people like local police, immigration officers and earlier with the embassy staff when they seek visa or other information. They are not directly engaged in tourism. However, interaction with these personnel goes a long way in shaping the visitor's experience. Their behaviour cannot be left to chance. They must be trained for behaviour modification. They must be prepared to deal with domestic and international guests. Their interpersonal capabilities need to be enhanced.

9. Undisputedly, the most critical contributor to a guest's experience is the comportment of the locals. There can be no tourism bereft of the hosts. Often, the tourism programmes are implemented top-bottom, and there could be some antagonism or at least dis-concerned with tourism. It is the responsibility of the destination leadership to teach a positive disposition for tourism at the destination at large. Cleanliness and hygiene had been an issue of concern for quite some time. The Ministry of Tourism, Government of India, decided to have in place a determined cleanliness campaign called Swachhta Action Plan (SAP). The campaign is targeted at three relevant stakeholders- tourists especially the domestic

audience, tourism stakeholders like hotel, restaurants and eater owners, transporters, etc. in the vicinity of the tourist attractions and importantly the school going children who are going to be stakeholders of tomorrow. Similarly, the Ministry of tourism also supports Tourism Awareness Programmes (TAP) for the community at large. This programme creates awareness about the socio-economic benefits of tourism. On the one hand, it highlights the vital correlate between tourism and socio-economic advantages of tourism and expects to create a positive outlook among the general public. On the other hand, it encourages youth to take up a career in the tourism and hospitality industry including entrepreneurship.

10. Tourism and hospitality jobs are mainly with smaller local companies which may offer a modest compensation package. Thus, it not very lucrative and therefore unlikely that people from outside the destination will come and take these jobs. It is more likely that jobs will be taken up locally. Thus, tourism jobs are more likely to check migration of people forms a place to other areas. Further, as discussed earlier the destinations should try to create a differentiated experience around the personality of the destination. Local employees are better placed on developing and communicating the 'local'. Since they are the natural habitats of the place, they are more culturally aligned to it. They are more likely to help create the feel of the place.

11. Contribution of tourism to Serbia's economy is catching up. As per the WTTC Annual Impact Study of 2019, tourism contributes nearly 6.9% of Serbia's economy which is 3.2% more than the previous year. Employment in tourism is estimated to be around 5.3% of total employment in Serbia (WTTC, 2019). Both contributions to GDP and employment is less than the global and regional averages. While Serbia's economy grows at 4.4% in 2018 (Xinhua, 2018), it is expected that tourism will grow. In 2018 Serbian tourism has increased by 11% and it is estimated that it has received 1.7m international tourist (b92.com, 2019). Of late it is reported that Serbia is receiving a large number of Chinese tourist (around 1,02, 000). Serbia has also targeted India, the other big tourism market by permitting visa-free entry for Indians. Thus, in the coming years, it is expected that the demand for skilled human resources for tourism in Serbia is going to increase. The demand in terms of numbers will be there. However, there will be a qualitative demand in terms of skill sets and disposition towards tourism. Not only those who are directly related to tourism, but even those who are on the fringes need to be oriented for receiving an increasing number of tourists.

Here are lessons in capacity building for tourism from India, that can be considered by other emerging destinations including Serbia.

References

1. Ahmed, P. K., Rafiq, M., & Saad, N. (2003). Internal marketing and the mediating role of organisational competencies. *European Journal of Marketing*, Vol. 37, No. 9, 1221-1241.
2. Arbogast, D., Deng, J., & Maumbe, K. (2017). *MDPI*. Retrieved January 12, 2019, from <https://www.mdpi.com/2071-1050/9/10/1813/pdf>
3. b92.com. (2019, February 12). 2018 record year for Serbian tourism" - driven by Chinese. (Tanjung, Ed.) *b92*. Retrieved April 24, 2019, from https://www.b92.net/eng/news/business.php?yyyy=2019&mm=02&dd=12&nav_id=106198
4. Berry, L. L., & Parasuraman, A. (1991). *Marketing services: Competing through quality*. New York: Free Press.
5. Cahill, D. J. (1996). *Internal marketing: Your company's next stage of growth*. New York: The Haworth Press Inc.
6. Chi, C. G., & Qu, H. (2008). Examining the structural relationships of destination image, tourist satisfaction and destination loyalty: An integrated approach. *Tourism Management*, Vol. 29, No. 4, 624-636.
7. Chowdhary, N. (2017, May 24). *Marketing the destination internally*. Retrieved March 13, 2019, from LinkedIn/nimitchowdhary: <https://www.linkedin.com/pulse/marketing-destination-internally-dr-nimit-chowdhary/>
8. Chowdhary, N., Lama, R., Srivasatva, D., & Yadav, M. P. (2011). *Evaluation of social awareness campaign for good behaviour towards tourists*. New Delhi: Ministry of Tourism, Government of India. Retrieved December 20, 2018, from <http://tourism.gov.in/sites/default/files/Other/SocialAwarenessReport.pdf>
9. Cooper, C., & Hall, C. M. (2008). *Contemporary Tourism: An International Approach*. New York: Butterworth-Heinemann.

10. Foreman, S., & Money, A. (1995). Internal marketing: concepts measurement and application. *Journal of Marketing Management*, Vol. 11, 755-768.
11. George, W. R. (1990). Internal marketing and organisational behaviour: A partnership in developing conscious employees at every level. *Journal of Business Research*, Vol. 20, No. 1, 63-70.
12. Glassman, M., & McAfee, B. (1992). Integrating the personnel and marketing functions: The challenge of the 1990s. *Business Horizons*, Vol. 35, No. 3, 52-59.
13. Gowreesunkar, V. G., Cooper, C. P., & Durbarry, R. (2009). The role of Internal Marketing (IM) in sustainable destination management: A case study of Grand Bay, Mauritius. *The International Journal of Environment, Culture, Economic and Social Sustainability*, Vol. 5, No. 5, 141-160.
14. Gronroos, C. (1981). Internal marketing theory and practice. *American Marketing Association's Service Conference Proceedings*, (pp. 41-47).
15. Gummesson, E. (1994). Internal marketing in the light of relationship marketing and network organisations. In *Internal Marketing: Directions for Management*. New York: Routledge.
16. Johnson, G., & Scholes, K. (1989). *Exploring corporate strategy: text and cases*. Prentice Hall.
17. Kaurav, R. P., Baber, R., Chowdhary, N., & Kapadia, S. (2015). Destination Performance: Importance of Redefining DMOs. *Asia-Pacific Journal of Innovation in Hospitality and Tourism*, Vol. 4, No. 1, 125-142.
18. KPMG. (2013). *Human Resource and Skill Requirements in the Travel, Tourism and Hospitality Sector*. National Skill Development Corporation.
19. Lee-Ross, D. (1999). HRM in tourism and hospitality. In *International perspectives in small to medium-sized enterprises*. UK: Cassel.

20. Nahavandi, N., Caruana, A., & Farzad, A. (2008). The effect of internal marketing on organisational commitment in Iranian banks. *American Journal of Applied Sciences*, Vol. 5, No. 11, 1480-1486.
21. Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of marketing*, Vol. 54, No. 4, 20-35.
22. Oxford Economics. (2015). *Global Talent Trends and Issues for the Travel & Tourism Sector*. WTTC.
23. Piercy, N. F., & Morgan, N. A. (1989). Internal marketing strategy: managing the corporate environment for marketing. *Proceedings of the Annual Marketing Education Group Conference*, (pp. 400-424). Glasgow.
24. Presenza, A., Ritchie, J. B., & Sheehan, L. (2005). Towards a model of the roles and activities of destination management organisations. *Journal of hospitality, tourism and leisure science*, Vol. 3, No. 1, 1-16.
25. PTI. (2018, December 19). Increase India's global share of international tourists to 3% by 2023: NITI2018. *Business Standard*. Retrieved January 26, 2019, from https://www.business-standard.com/article/economy-policy/increase-india-s-global-share-of-international-tourists-to-3-by-2023-niti-118121901140_1.html
26. Rafiq, M., & Ahmed, P. K. (1998). A customer-oriented framework for empowering service employees. *Journal of Services Marketing*, Vol. 12, No. 5, 379-396.
27. Schultz, D. (2006). Definition of internal marketing remains elusive. *Marketing News*, Vol. 40, No. 1, p. 6.
28. Winter, J. P. (1985). Getting your house in order with internal marketing: a marketing prerequisite. *Health Marketing Quarterly*, Vol. 3, No. 1, 69-77.
29. World Travel and Tourism Council. (2018). *Travel & Tourism Economic Impact India*. London: WTTC. Retrieved April 24, 2019, from file:///C:/Users/NIMIT%20CHOWDHARY/Downloads/India2018.pdf

30. WTTC. (2019). *SERBIA 2019 Annual research: Key highlights*. WTTC. Retrieved May 1, 2019, from <https://www.wttc.org/economic-impact/>

31. Xinhua. (2018, December 28). Serbia's economy sees 4.4 pct growth in 2018. (M. Xuequan, Ed.) *Xinhuanet*. Retrieved February 19, 2019, from http://www.xinhuanet.com/english/2018-12/29/c_137705596.htm

AGRITOURISM AS A FACTOR OF RURAL DEVELOPMENT

Boris Frumkin¹;

Abstract

The paper is devoted to the development of agritourism as a special type of tourism activity and its role in the development of rural areas. The definition of agritourism is specified, its main models applied in the world practice are characterized. The basic components of resource potential, the main driving forces and key possible segments, as well as main advantages and barriers of rural Russia are considered. The assessment of the current state of the Russian agritourism, the main concepts and programs for its long-term growth and its potential contribution to the total revenues from tourism and farmers' incomes are given.

Key Words: *Russia, tourism, agritourism, model, type, concept, programs, effect*

JEL classification: *Q 13, Q18, Q19, Z30, Z32*

Introduction

In recent years, developed and especially developing economies have seen a steady increase in the role of agritourism in the development of the national tourism industry and rural areas. The purpose of this report is to identify and determine the prospects of global trends in the development of rural tourism in Russia, as well as to assess its potential contribution to the total income from tourism and rural entrepreneurship. This involves the solution of 4 main tasks: clarification of the concept of "agritourism", taking into account the differences in its current national models; assessment on this basis of the availability of the necessary conditions for the development of agritourism in Russia; identification of the most promising segments of the development of agritourism and their

¹ Boris Frumkin, PhD, Associate Professor, Head of the Agri-Food Complex Research Sector at Institute of Economics, Russian Academy of Sciences, Head of Group at Primakov National Research Institute of World Economy and International Relations, Russian Academy of Sciences. Moscow Institute of Economics, Russian Academy of Sciences 117218, Russia, Moscow, Nakhimovsky ave.,32. phone: +7 925-623-73-85 e-mail: boris.frumkin@mail.ru

regionalization; conceptual assessment of the main stages of development of agritourism until 2030 and opportunities for their practical implementation with the help of relevant government programs for the development of tourism and rural areas of Russia.

Tourism as an important driver of economic growth

In Russia, as in most countries of the world, tourism in all its forms has become one of the most dynamic and important sectors of the economy. Tourism is already making a significant contribution to sustainable socio-economic development and social stability, this industry is important for the development of small businesses and microenterprises, job creation, and promotes self-employment. The tourism industry is developing ahead of the global average growth rate and stimulates the development of related sectors of the economy. In 2014 – 2017, tourism grew faster than the economy as a whole, and its overall contribution to Russia's GDP (including indirect and induced effects in other sectors) increased by almost 1.2 times about 3.5%. Thus, the creation of 1 job in tourism added up to 5 new jobs in 53 related industries. The direct contribution of tourism to Russia's GDP in 2017 was 1.25% - approximately at the level of Israel and Taiwan, but almost three times lower than France and Germany and almost four times - Spain and Italy (Government of the Russian Federation, 2018).

However, in the international tourist ratings, the country already holds rather good positions. So, in 2016, it was: 9th of 158 countries for the import of tourism services, 15th of 174 - for attendance by foreign tourists (comparable to Greece, Malaysia and Japan) and 26th of 160 countries for the export of tourist services. Russia occupied a lower position (43 of 136) only in the index of travel and tourism competitiveness, which, to a large extent, determined its position as a net importer in the global tourism market. At the same time in 2014-2016 certain "import substitution" occurred. Coverage of tourism imports by Russian exports increased by almost 1.4 times to 46%, approaching the figures for Canada or Belgium. This is a consequence of a number of factors (devaluation of the ruble, decline in real disposable incomes of Russians, visa and other restrictions on their entry into a number of foreign countries), which caused a decrease in outbound and inbound tourism in 2014-2018, by 2% (to 41.9 mln. people) and by 3% (to 24.6 mln. people) respectively. On the contrary, domestic tourism (which is 20-30% cheaper than the outbound) increased by 1.5 times to 60 mln. people during this period.

In the future, the role of tourism will increase markedly both in the internal and in the external economic dimension. The government seeks to turn it into one of the "breakthrough sectors" to a new model of sustainable and balanced socio-economic growth. The concept of targeted federal program "Development of domestic and inbound tourism in the Russian Federation (2019–2025)" outlined the growth of the total tourist flow in the country to the base level of 2016 by 28%, its contribution to the creation of GDP by 70% (exceeding 5%). According to some estimates, the total contribution of tourism to employment will increase in about the same way, while income from inbound tourism will increase by 25% to \$ 16 bln. (at the weighted average exchange rate of 2018). This was supposed to be ensured by a sharp increase (by 2.8 times - almost up to 70 bln. rubles or \$ 1.2 bln.) in support for tourism (primarily for the development of its infrastructure) from the federal budget, which also stimulates private investment in the sector (in 2018 for 1 ruble of budgetary funds accounted for 2.8 rubles private). The concept provides for the solution of the following main tasks: integrated development of tourism and providing infrastructure of tourist clusters on priority types of tourism; development of the system of training and advanced training of tourism industry specialists, who form the personnel potential for the quality tourist services; promotion of the tourism product of Russia and raising awareness of it in the world and domestic tourism markets; stimulation of business and public initiatives through the mechanism of subsidies and grant support; creation of information and communication infrastructure of the tourism (Government of the Russian Federation, 2018).

The development of an "internationally competitive tourism product" implies the implementation of the relevant state policy with the necessary coordination with other sectoral policies. Therefore, since 2018, the responsibility for the development of domestic and inbound tourism is assigned to the Ministry of economic development, which develops and implements the economic policy of Russia. In April 2019 the Ministry has prepared a "road map" of the six-year strategy for the development of the tourism industry. The map provides for the allocation of funding in the amount of 100 bln. rubles (about \$ 1,6 bln) until 2024 and includes support for business: exemption from taxes on land and property, benefits on contributions to extra-budgetary funds, accelerated depreciation of fixed assets, benefits for obtaining land and buildings, rental discounts, subsidizing fees for joining networks, credit benefits for investments in the construction of hotels (under 3%), as well as for medium-sized businesses (under 8.5%). (The Ministry of economy proposes..., 2019).

Agritourism - servant of two masters

In this context, agritourism (or rural tourism) is becoming one of the most promising areas - almost the only type of tourism directly interconnected with the industrial and spatial development of a large sector of the economy - agriculture. Moreover, agritourism is primarily a way of supporting agricultural producers and solving social problems of the rural territories, and only secondly - a form of development of domestic and inbound tourism. Therefore, in most countries, the support of rural tourism is an element of the national rural policy and is regulated by agrarian ministries or agencies, and the requirements for it differ significantly from the general tourist rules and standards. Despite its specifics, it is becoming increasingly popular in the national and global tourism market. According to some estimates, in recent years, up to a third of travelers in the world prefer rural tourism, not only in developed but also in developing economies.

There is no generally accepted definition and classification of agritourism models yet. *Agritourism is broadly understood as an activity that is complementary to agriculture and that enables agricultural producers to welcome tourists and other visitors onto their farm.* A more specific definition of agritourism treats it as a form of commercial enterprise that links agricultural production and/or processing with tourism in order to attract visitors onto a farm, ranch, or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income for the farm, ranch, or business owner. Regardless of the exact definition or terminology, any definition of agritourism should include the following four factors: combines the essential elements of the tourism and agriculture industries; attracts members of the public to visit agricultural operations; is designed to increase farm income; and provides recreation, entertainment, and/or educational experiences to visitors (The National Agricultural Law Center).

Some researchers interpret rural tourism, agritourism and ecotourism as different types of tourism focused on the natural and cultural resources of rural areas. Others – distinguish different models of agritourism, based on the specifics of the organization, the degree of connection with agricultural production, a key element of attractiveness, etc. For example, the Anglo-American, Asian, European (taking into account the specifics of the West and East of Europe): the general purpose of these models is to use agritourism as a factor in the development of rural areas and infrastructure, the preservation of folk traditions, the creation of alternative employment

of the rural population. Their common economic basis is small and medium business (Agritourism as a way ..., 2018; Ana, 2017; Margalitadze, 2016). Each of these models has certain features, such as the geographical location, the traditions of a particular farm, the presence of local demand and so on. The Anglo-American model is based mainly on the cohabitation of a farmer and a tourist, its main attractions are horse riding and fishing (in Britain), as well as the chance to participate in work on cattle ranches - so called dude ranches (in the US, Australia and Canada). Asian type, especially in relation to foreign tourists, includes expensive travel, where not only a contact with exotic nature and culture is provided, but the level of service is so high that tourists do not have to think about everyday things. It is rapidly developing in India, Indonesia, Malaysia, Thailand, the Philippines.

The West European model includes Franco-Italian and German types. The first involves living in farm house or in a separate house, and as the main element have cooking, cheese and wine, as well as excursions to historical attractions. The second – often takes the form of joint work with the farmer, when housing and food are provided free of charge to the tourist in exchange for his work on the farm (for example, as part of the movement "Willing workers on organic farms"). The Eastern European model in a somewhat simplified form reproduces the main Western European types (for example, beer tours and horse riding trips in the Czech Republic), taking into account both differences in climatic and culture-historical features of agricultural regions, and less developed local infrastructure and housing. As a rule, the successful development of agritourism is associated with the legal and financial support of national and regional authorities. Thus, in Italy since 1985, there is a special law on agritourism. Over half of the states in the United States have enacted statutes that address agritourism. These statutes vary from liability protections for agritourism operators to tax credits to zoning requirements. The rapid growth of agritourism in Poland in recent years is based on a set of measures taken by the authorities at various levels, primarily: the legislative consolidation of the concept of "agritourism" and the creation of its legal framework; development of standards for tourism business in rural areas; exemption of farmers engaged from the tax on income from tourism activities, etc. (Mizin, 2016). Special programs for the development of agricultural tourism operate in some countries of South-East Asia, in a number of states in India etc.

In the European Union, support for agritourism is carried out at the supranational level also within the framework of the Common Agricultural Policy, namely its so-called "second pillar" – Rural development policy. In particular, it is aimed at social inclusion, improving the quality of life and diversification of economic activities in rural areas, and includes measures for: the development of services for the rural economy and population; renewal of rural settlements and protection of cultural and material heritage in rural areas; the stimulation of the development of non-agricultural employment (especially tourism), the creation of microenterprises, development training and implementation of local development strategies, etc. In 2014-2020, the creation of 117 500 non-agricultural new jobs (partly in agritourism) is scheduled, of which: 73 000 in relation to diversification actions and creation and development of small enterprises and the rest through 2 500 Local Action Groups (LEADER groups) (Frumkin, 2016; The Common Agricultural Policy ...).

However, a key role in the development of rural tourism in Europe is played by non-governmental and non-profit organizations - both national and international, first of all, created in 1990 European Federation of Rural Tourism (EuroGites). Now it is formed by 34 professional and trade organization from 27 European states (20 the EU member – countries and 7 non-EU members). EuroGites represents a tourism sector with nearly 500 thousand micro-enterprises and about 5-6,5 mln. bed places, from the rural Bed & Breakfast and self-catering in private homes or farms up to small family run rural hotels or guesthouses, and related restaurant or activity tourism services. Its activities include improvement of qualification, training, promotion of digitalization, and generational change in services. Now agritourism stands for about 15- 20% of the European tourism capacity and income as well as for nearly 35% of the farm income in some regions.

Tourism in rural areas of Russia: potential and problems

In Russia, the achievements of agritourism are much more modest. In 2016, it accounted for only about 2% of total tourism services and slightly more than 1% of farm income. At the same time the Russians use the services of rural tourism in Italy, France, Finland, Latvia and Estonia, and later also Belarus and Georgia (EuroGites; Ana, 2017; Mizin, 2016).

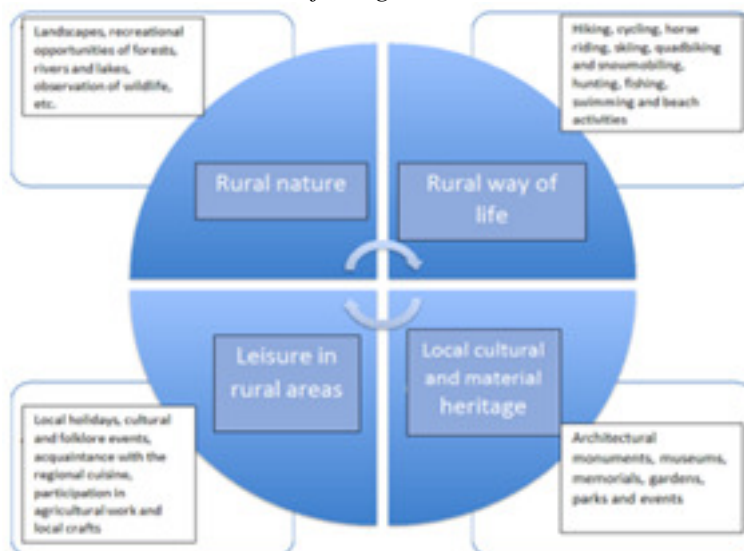
This is due to the action of a number of objective and subjective factors. On the one hand, Russia has long and well-established traditions of rest in the country side. According to some estimates, there are currently 32-35 million suburban land plots of various types - (informally "dacha (cottage)", officially - "gardening") in the country with a total area of about 2.1 million hectares (approximately the same area as agricultural land in Finland), in which more than 13 million homes have been registered (mainly for seasonal residence) and which 38-43% of Russian citizens or 42-47 million people use for rest and growing vegetables, fruits and flowers. (equivalent to more than 50% of the population of Germany, 100% - Spain) (Ruvinsky, 2016). On the other hand, until recently, not only that Russia practically did not have a specialized rural tourist sub-sector, but the very administrative and legal concept of "agritourism" was non-existent as well. In 2015, the national standards of the Russian Federation "Rural guest houses" and "Ecological tourism" were adopted, but the content of the term "rural tourism" in the regulatory documents has not yet been specified.

In the main Russian concepts of agritourism development, it refers to the activities of agricultural producers and other small and medium entrepreneurs in organizing recreation in rural areas or small cities, including reception, accommodation, meals, leisure activities and other services focused on the use of natural, cultural, historical and other resources for the locality. Sometimes this is supplemented with a clause on the possibility of labor participation of tourists in farmers' activities (Agritourism as a way ..., 2018; Margalitadze, 2016). In any case, this definition includes two basic elements of agritourism - the resources of rural areas and the main driving force behind their use - farming and other types of small and medium-sized businesses (SME) in the countryside.

Russia has an enormous potential for all types of resources for agritourism. Rural nature: landscapes, recreational opportunities of forests, rivers and lakes, wildlife observation, etc. Agricultural land occupies only 13% of the territory of Russia. However, it is 222 million hectares, which is comparable to the total area of agricultural land EU28. Most of the rural territory of the RF is located in the temperate zone. However rural areas have different climate conditions and a wide variety of landscapes and natural zones – from vast plains in the west and central part of the country to the high mountainous area in east and south, from large wetlands to volcanoes of Kamchatka, from subarctic areas in Siberia to small subtropical ones on the Black sea coast, from the Baltic marine climate in the far Northwest to a moderate monsoon in the Far East near

the Pacific. (Frumkin, 2017). More than 153 thousand rural settlements form a natural basis for the development of eco- and agritourism in this area.

Figure 1: *Rural resources used for agritourism*



Source: MNIAP

Rural lifestyle: walking and hiking, cycling, horse riding, skiing, quadbiking and snowmobiling, hunting, fishing, swimming and beach holidays. In recent years, in a number of regions there are different types of familiarizing with such rest: guest houses with a small economy, located in environmentally friendly areas, with homemade food and simple entertainment; farmsteads, built on the model of Western farms, and local farmers, inviting those wishing to feel the atmosphere of rural life and farm work; rarely is a model of the rural estate created by international organizations or with the support of local or regional administration. However, the number of such specialized facilities is small (according to some estimates, about 5 thousand with a need of 35-40 thousand).

Local cultural and material heritage: architectural monuments, museums, gardens and parks, memorable places and events, other objects of material culture of historical, artistic or other value. In rural areas (especially in small-up to 50 thousand inhabitants - cities located there) there is a part of 144 thousand objects of cultural heritage included in the Unified state register.

Organized forms of leisure activities in rural areas: local holidays (including religious), cultural and folklore events, familiarity with regional cuisine, participation in agricultural work and local crafts. The solid basis of this trend is the historical specificity of Russia. The spatial and territorial extent of the country is combined with multinationality (in the country, apart from Russians, constituting about 80% of the population, there are still more than 100 nations) and multi-religiousness (the country has all the main directions of Christianity - Orthodoxy - more than 70%, Catholicism and Protestantism, Judaism; Islam and Buddhism, as well as elements of ethnic (traditional) religion (for example, a number of small nationalities of Siberia). This combination of various ethno-cultural regions with the culture and customs of Russian sub-ethnic groups (part of the Cossacks), as well as Turkic, Finno-Ugric, Nakh-Dagestan, Eskimo-Aleutian and other peoples, is particularly evident in rural areas.

There is also a significant production and labor potential for the development of agritourism in the form of SMEs and households of citizens in rural regions. In Russia, there are nearly 175 thousand farm (peasant) households and about 23 mln. subsidiary and other individual households of citizens (including more than 2 mln. selling their products) with average total land area per one 277 ha and 0.7 ha, respectively. In 2017, their total share in Russian potato production exceeded 85%, vegetables – 78%, fruits and berries – 75%, milk – 49%, livestock and poultry for slaughter - 22%, eggs -20%. Recently, the production of "natural products" has intensified not only in the subsidiary plots, but also on dachas. (Frumkin, 2015). This provides the basis for supplying tourists with fresh and healthy food. Labor resources for agritourism can be formed at the expense of part of the employed now on farms (about 370 thousand people) and in citizen' households.

While the resource and labor potential of agritourism is clearly not used enough (according to some estimates, only 20%), only 18 of more than 80 Russian regions are actively engaged in the development of the industry: Arkhangelsk, Saratov, Tomsk, Kaliningrad, Kaluga, Kirov, Volgograd, Penza regions, Krasnodar and Altai territories, Bashkiria, Komi, Mordovia, Tatarstan and Crimea republics, Moscow region and the surrounding area of St. Petersburg. Their experience has already confirmed the potential benefits of agritourism in practice: reducing the unemployment rate, stimulating the creation of new jobs; increasing income and living standards of rural residents at relatively low financial

costs; improvement of estates and villages, development of engineering and social infrastructure; development SME in rural areas, as well as the environmental attractiveness of rural areas; on-site sales of products from farms and individual households of citizens, in particular, finished food products; promotion of protection of local attractions, preservation of local customs, folklore, folk crafts; improving the cultural and educational level of the rural population; replenishing of local budgets with additional revenues; relatively small and fast-paying investments based on predominantly private sources of financing; unloading of the most popular tourist centers, reducing the negative environmental consequences of too intense activity in the "prestigious" regions.

Thus, in some cases, the profitability of rural tourism amounted to 15% or more, significantly exceeding the average profitability of agricultural production. In the most popular agritourist region – Krasnodar territory over the past 3 years, the number of rural tourism increased by 2.5 times, and the flow of tourists to them – by a third to almost 300 thousand people per year. However, in the country as a whole, the effective realization of the potential of agritourism is still hampered by a number of factors: lack of a generally accepted national concept for the development of rural tourism; the absence of a clearly formulated state policy on rural tourism and, accordingly, a regulatory framework for this type of activity; undeveloped special federal legislation regulating the activities in the field of rural tourism in the Russian Federation; lack of standards and regulations applicable in the field of rural tourism as a special sector of the tourism industry; lack of qualified personnel; lack of knowledge and experience in servicing foreign and domestic tourists; low awareness of own recreational resource (Federal Center for Agricultural Consulting ..., 2011). To remove these barriers, it is necessary to develop and implement a comprehensive concept for the development of rural tourism at national, regional and local levels. Unlike "dacha" settlements located in suburban areas with a sufficiently developed transport and engineering infrastructure, the development of agritourism is focused on more remote and less infrastructurally secure regions. It needs large-scale assistance at the federal and regional level for the development of an interregional and inter-settlement transport network, engineering (gasification, water and sewer, etc.) infrastructure, information and communication network (especially the broadband Internet and digitalization), the healthcare system. Relevant projects can be implemented on the basis of public-private partnerships with agritourist farms. Otherwise, it will be

impossible for farmers and other rural SME to organize complex tourist services.

Russian rural tourism: actual concept and perspectives

One of the most successful conceptual developments in this area is the "Concept of rural tourism development", prepared by the non-governmental International Independent Institute of Agrarian Policy - MNIAP (International Independent Institute of Agrarian Policy, 2016). The concept is essentially focused on the development in Russia of the European model of agritourism with the use of a number of elements of the Anglo-American and Asian models. It involves the development of three main segments of rural tourism, taking into account the specific demand of different categories of potential tourists and the conditions of specific agricultural regions:

- *Dacha-type agritourism*, focused mainly on residents of large cities, interested in organizing summer holidays for their children and elderly parents. It implies high demands on the quality of living and security, without requiring a rich cultural and entertainment program, gastronomic tourism services, etc. An important feature is a long period of residence (up to 3 months) and a relatively low price. Possible formats are rural guest houses, but also whole "dacha villages";
- *Adventure agritourism*, based on services for the organization of hunting, fishing, horse and kayaking trips, tours on quad bikes, snowmobiles, etc. Involves the cooperation of several rural guest houses along the route, requires a very high qualification of the organizers and a relatively high investment in the material base. More expensive and profitable type of tourism;
- *Classic rural tourism*, focused primarily on auto- (to a lesser extent, motorcycle and bicycle) tourists. It assumes living in rural guest houses along the route of travel, and active use of the entire tourist potential of the area (rural nature, rural life, cultural and material heritage and organized forms of leisure). Usually it is built around a key attractor: a wine or gastronomic road, regional music, folklore and other festivals, living near the reserve with active observation of untouched wildlife, work and communication with animals on farms, etc.

According to the concept, taking into account the geographical specifics of the Russian regions, for the development of rural suburban tourism, the

most promising rural areas adjacent to major cities; adventure tourism – Karelia, the regions of the Russian North and the Far East; classical rural tourism - Crimea, the Caucasus, the "Golden Ring" of Russia. Kaliningrad region is especially attractive for European agritourism, for Asian – regions of the Far East and Siberia. The concept also offers specific tools to support farmers and other entrepreneurs in the field of rural tourism: grants to farmers and private entrepreneurs starting tourism activities; subsidized interest rate on loans for the construction or reconstruction of agritourism facilities; partial compensation of the capital costs for the creation infrastructure for rural tourism (except for accommodation facilities); provision of budget places in state educational institutions for training agritourism specialists.

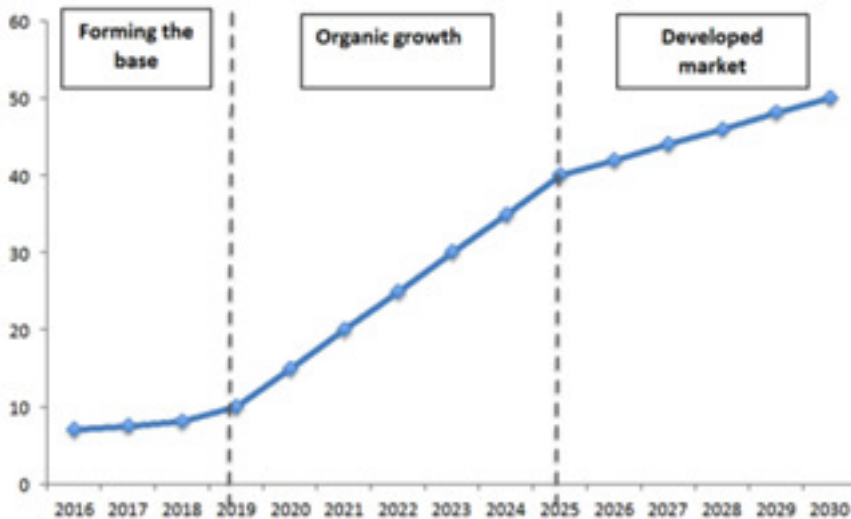
The concept outlined three main stages of implementation.

- The stage of formation of the agritourism development base (2016-2018), which provided for the optimization of legislation, the development of Federal and regional programs for the development and state support of rural tourism, the creation of a training system and the formation of a personnel reserve, the development of rural tourism infrastructure, replication of the successful experience of existing rural tourism facilities and the launch of new pilot projects.
- The stage of organic growth (2019 – 2025), which allows on the basis of the results of the previous stage to ensure rapid growth in the number of rural tourism facilities, the number of nights and, accordingly, the direct financial effect of the development of rural tourism.
- Stage of the developed market (2025-2030), characterized by sufficient maturity of the agritourism with a steady increase in the profitability of existing facilities, the total revenue of the tourism and its contribution to GDP. The long-term effects of the development of rural tourism manifest themselves (improving the financial sustainability of farms and subsidiary plots increasing the quality of life and the level of consumption in rural areas, recognition of products of Russian farmers, including in the external market).

It was expected that by 2030 the implementation of the concept will allow an increase in annual revenue from agritourism by almost 7 times to 50 bln. rubles (\$0.8 bln. at the average rate of 2018), to create about 60 thousand new jobs in rural areas, to increase direct tax revenues for the entire period of implementation by 5 bln. rubles (\$80 mln.) Taking into account the multiplier effect in related industries 15-20 bln. rubles (\$0.24

– 0.32 bln.), this would ensure full payback of the state financing provided for the concept (12-15 bln. rubles or \$ 0.19 - 0.24 bln.).

Figure 2: *Expected dynamics of revenue growth from rural tourism (2016-2030, bln. rubles)*



Some of the proposals of the concept were essentially implemented or taken into account when making decisions related to the development of agritourism at different levels. Thus, at the federal level, in 2018, the legislative inclusion in the sphere of the farm activity "promotion of domestic tourism in rural areas" was initiated, which would allow farmers to receive direct state support for rural tourism. The oldest Russian agrarian University - the Timiryazev Moscow Agricultural Academy organized the country's first Department of agritourism studying this field professionally and preparing qualified personnel. Within the framework of a joint project of a number of NGOs "Rural tourism as a means of rural development" in 2017-2018, a professional network of specialists for the rural tourism was formed, which included representatives of 44 regions of the RF: regional and local associations, representatives of regional administrations and legislative bodies, local self-government bodies, owners of rural tourism facilities, etc. In 2019, on this basis, a "Program for the Development of Rural Tourism in the Russian Federation until 2030" is being prepared for transmission to the relevant federal agencies. It can be used also to take into account the development of agritourism in the finalization of the "road map" of the strategy for the development of the tourism industry in Russia proposed by the Ministry of Economic

Development (The Ministry of economy proposes..., 2019). In a number of regions (the Krasnodar Territory, the republics of the North Caucasus, etc.), the concepts of agritourism development were adopted (independent or in the framework of larger concepts) until 2020–2030. In 2019, the Gastronomic Map of Russia, developed with the help of the Ministries of Agriculture, Industry and Trade, regional authorities and specialized NGOs, will be available on Google maps. This navigator presents regional dishes and special tasting menus for tourists, as well as farms and shops, where one can buy local edible souvenirs, and covers 18 of the most advanced regions in agritourism.

The civil initiative was also developing. In 2017, the "Far Eastern hectare program" was launched, which gave all Russians the opportunity to get land plot for free in 9 regions of the Far East - from the Khabarovsk territory in the Amur region to Yakutia in the North and Sakhalin and Kamchatka in the East. By the beginning of 2019, more than 73 thousand Russians, who became its participants, received plots with a total area of 47 thousand hectares, and 11-14% of them plan to implement tourism projects (The results of the two-year..., 2019).

The development of measures directly or indirectly stimulating the development of agritourism in the framework of sectoral state programs until 2025 is being completed. Thus, in March 2019, the Ministry of Agriculture presented a draft State program of complex rural development up to 2025 aimed at increasing employment and well-being of the rural population, the formation of comfortable and favorable living conditions, as well as ensuring transport accessibility, the development of telecommunications, engineering and social infrastructure of the rural territories, including taking into account the development of agritourism. The key mechanism of the state program will be a competition of regional projects that will be co-financed by the state. The federal budget will allocate about 1.1 trln. rubles for this (\$ 17.5 bln.). Such projects can be represented by commercial, non-profit and public organizations, municipalities, initiative groups of rural residents. The implementation of the program is likely to be led by the Ministry of agriculture or a special Agency subordinate to it (The Ministry of Agriculture has developed ..., 2019).

The current situation in the country is conducive to the implementation of the above-mentioned programs and plans. The unstable international situation (including the terrorist threat) and the ongoing "war of

sanctions" weaken the market of Russian outbound tourism in favor of domestic, the promising direction of which is, as a rule, cheaper agritourism. According to surveys in early 2019, out of 54% of Russians who decided on plans for the summer, 16% or almost a third were going to spend the summer in a dacha or in the village. This reformatting of demand is correlated with the potential growth in the supply of agritourism services. It is caused by increased competition of farms with large agricultural holdings in the domestic market and the release of labor (the level of rural unemployment is already twice as high as urban) due to the transition to industrial technologies in traditionally labor-intensive industries: vegetable growing, horticulture, dairy farming (Frumkin, 2016). It can be assumed that in the future the share of agritourism will reach at least 5-7% of total tourism services and about 10% of farm income. The outstripping growth of domestic agritourism does not exclude (and even presupposes) the further development of export – import relations in this area. In the European direction it is the expansion of cooperation of Russian tourist associations with the ones in Eastern (Latvia etc.) and Western (Italy, France) Europe. For example, in 2018, an agreement was signed on long-term cooperation between the Association of agritourism of Krasnodar territory and the French company Arteres, on the transfer of experience in the organization of rural tourism in Provence. Russian-Serbian agritourism cooperation is also very promising, especially since the leading Russian NGO in the field, - "Agritourism Association (Agroturizm Assotsiatsiya)" and the Serbian "National Association of Rural Tourism of Serbia (Nacionalna asocijacija Seoski turizam Srbije)" are EuroGites members. In the Asian direction, the implementation of agritourism projects within the framework of the "Far Eastern Hectare program" can actually contribute to attracting tourists from South Korea and Japan (especially to Kamchatka and Sakhalin), and the completion of the construction of high-speed railways and highways Moscow-Beijing by 2035 - Chinese tourists. The balanced development of domestic and inbound-outbound Russian agritourism will allow turning it from a niche, local to an internationally competitive mass type of tourism and a real factor in the development of the Russian rural territories.

Conclusion

Analysis of the current situation and current concepts and programs of development of agritourism as a special type of tourism in Russia allows us to draw the following conclusions:

- the development of the tourism industry in Russia as a whole corresponds to global trends and turns into a significant factor of economic growth,
- the development of Russian agritourism, primarily as a complement to agriculture factor in the development of rural areas is not enough, especially in comparison with the EU countries,
- in rural areas of Russia there are necessary resources for the implementation of all known models (Anglo-American, European, Asian) of rural tourism (rural nature, rural lifestyle, local cultural and material heritage, the opportunity to join the local folklore, cuisine, agricultural crafts),
- there are sufficient driving forces for such development, especially farming and other forms of small and medium-sized businesses, as well as part of citizens' subsidiary households,
- the effective connection of resources and driving forces of agritourism is restrained both by objective reasons (vast rural area with underdeveloped infrastructure) and institutional and legal reasons (lack of systematic approach and weakness of legal regulation and state support of agritourism, lack of personnel, etc.),
- by 2025, the implementation of federal programs on tourism development and complex development of rural areas (including legal and economic incentive mechanisms), related programs of regions, plans of rural municipalities and initiatives of residents, will allow the actualization of agritourism and an increase in its share in the future in the total proceeds from tourism in Russia to 5-7%, and farmers' income – up to 10%.

References

1. *Agritourism as a way of rural development in Russia* (2018). Available at: <https://me-forum.ru/media/news/9335/>. (Accessed: March 2019; in Russian).
2. Ana, M. I. (2017). Ecotourism, Agro-tourism and rural tourism in the European Union/*Conference paper. Conference: CACTUS 2017-Contemporary Approaches and Challenges of Tourism Sustainability, At Predeal, Romania*. Available at: https://www.researchgate.net/publication/320272966_Ecotourism_agrotourism_and_rural_tourism_in_the_European_Union. (Accessed: February 2019; in Russian).

3. Analytical center under the Government of the Russian Federation, Moscow *Assessment of the impact of inbound tourism on the Russian economy* (2018). Moscow, 2018. Available at: <http://ac.gov.ru/files/publication/a/18123.pdf>. (Accessed: March 2019; in Russian).
4. European Commission. *The Common Agricultural Policy: Investing in Rural Europe*. Available at: https://ec.europa.eu/agriculture/sites/agriculture/files/rural-development-2014-2020/country-files/common/rdp-factsheet_en.pdf. (Accessed: March 2019).
5. *EuroGites*. Available at: <https://nexttourismgeneration.eu/partner/eurogites>. (Accessed: March 2019).
6. Federal Center for Agricultural Consulting and Retraining of Agri-Industrial Complex Personnel (2011). *The state and prospects of development of rural tourism in the Russian Federation*. Available at: http://mcx-consult.ru/sostoyanie_i_perspektivy_razvitiya. (Accessed: February 2019; in Russian).
7. Frumkin, B. (2017). Agri-food complex – an integral factor and driver of economic growth. *Socio-economic conditions of transition to a new model of economic growth*, N. Akhapkin, L. Nikiforov (eds). INFRA-M, Moscow, 93-112.
8. Frumkin, B. (2016). The Food Embargo and Food Import Substitution: Russian Experience. *Journal of the New Economic Association*, No. 4, 162-169.
9. Frumkin, B. (2016). Common agricultural policy. In: *European integration*, O. Butorina, N. Kaveshnikov. (eds.). Aspect Press, Moscow, 266-267.
10. Frumkin, B. (2015). Russian Agricultural Sector in the "War of Sanctions". *Issues of Economics (Voprosy Ekonomiki)*, No. 12, 147-153.
11. Government of the Russian Federation. *Conception of Federal target program "Development of domestic and outbound tourism in the Russian Federation (2019-2025)"* (2018). Available at: <http://static.government.ru/media/files/FoFftF1dhGs4GZzEBPQtLCFVtBl2hHQD.pdf>. (Accessed: March 2019; in Russian).

12. International Independent Institute of Agrarian Policy (MNIAP). Moscow. *Conception of rural tourism development in Russia* (2016). Available at: <http://мниап.рф/rural-tourism>. (Accessed: February 2019; in Russian).
13. Margalitadze, O. (2016) Agritourism as a factor of growth of supply of domestic agricultural products in some key markets of Russia under sanctions and counter-sanctions. Available at: <http://qje.su/otraslevaya-i-regionalnaya-ekonomika/moskovskij-ekonomicheskij-zhurnal-1-2016>. (Accessed: February 2019; in Russian).
14. Ruvinsky, V. (2016). *Big dacha. Half a billion rubles can be collected from Russian summer residents*. Available at: <https://www.kommersant.ru/doc/3065183>. (Accessed: February 2019; in Russian).
15. *The Ministry of economy proposes to spend 100 billion rubles on tourism development (2019)*. Available at: <https://eadaily.com/ru/news/2019/04/01/minekonomiki-predlagaet-potratit-na-razvitiye-turizma-100-mlrd-rublej>. (Accessed: April 2019; in Russian).
16. *The Ministry of Agriculture has developed a draft state program for the integrated development of rural areas (2019)*. Available at: <http://kvedomosti.ru/news/minselxoz-razrabotal-proekt-gosprogrammy-kompleksnogo-razvitiya-selskix-territorij.htm>. (Accessed: March 2019; in Russian).
17. Mizin, M. (2016). Phantom agritourism: the profitability of rural tourism in Russia can reach 15-30%. Available at: <https://www.agroinvestor.ru/regions/article/22935-prizrachnyy-agroturizm>. (Accessed: February 2019; in Russian).
18. The National Agricultural Law Center. *Agritourism-An Overview*. Available at: <https://nationalaglawcenter.org/overview/agritourism>. (Accessed: February 2019).
19. *The results of the two-year All-Russian stage of the Far Eastern hectare program implementation (2019)*. Available at: <https://vsedlyastroiki.ru/ru/vcentrevnimaniya/itogi-dvuhletnegovserossiyskogo-etapa-realizatsii-programmy-i-dalnevostochnyy-gektar>. (Accessed: February 2019; in Russian).

CREATIVE TOURISM IN SMALL CITIES AND RURAL AREAS: LESSONS FROM THE CREATOUR PROJECT, PORTUGAL

Nancy Duxbury¹;

Abstract

Bridging culture/heritage, tourism, and local development, CREATOUR is a three-year research-and-application project that is developing an integrated approach to creative tourism development in small cities and rural areas across Portugal. The project takes a cultural development approach, fostering a diversity of "bottom-up" ideas and experimentation, coupled with knowledge-sharing and capacity-building through networking. The project involves 5 research centres and 40 pilot projects that are independently designed, implemented, and managed across four regions. In the context of limited knowledge of creative tourism models in small communities and rural areas, these pilots are our co-researchers of creative tourism development approaches and challenges in extra-metropolitan areas. This paper presents an overview of the types of models being developed and some of the lessons learned in implementation.

Key Words: creative tourism, rural development, Portugal, sustainable cultural tourism, innovative cultural tourism, heritage

JEL classification: Z32

Introduction

Creative tourism can be described as a reaction to a growing 'mass cultural tourism' mixed with the growing desire of travellers to play more active roles in their journeys. Although the scope and array of activities related to creative tourism has diversified in recent decades, with changing definitions accompanying these evolutions (see Duxbury and Richards, 2019a), an original definition by Greg Richards and Crispin Raymond (2000) continues to be a touchstone for the field:

¹ Nancy Duxbury, PhD, Researcher, Centre for Social Studies, University of Coimbra, Colégio S. Jerónimo, Apartado 3087, 3000-995 Coimbra, Portugal, duxbury@ces.uc.pt

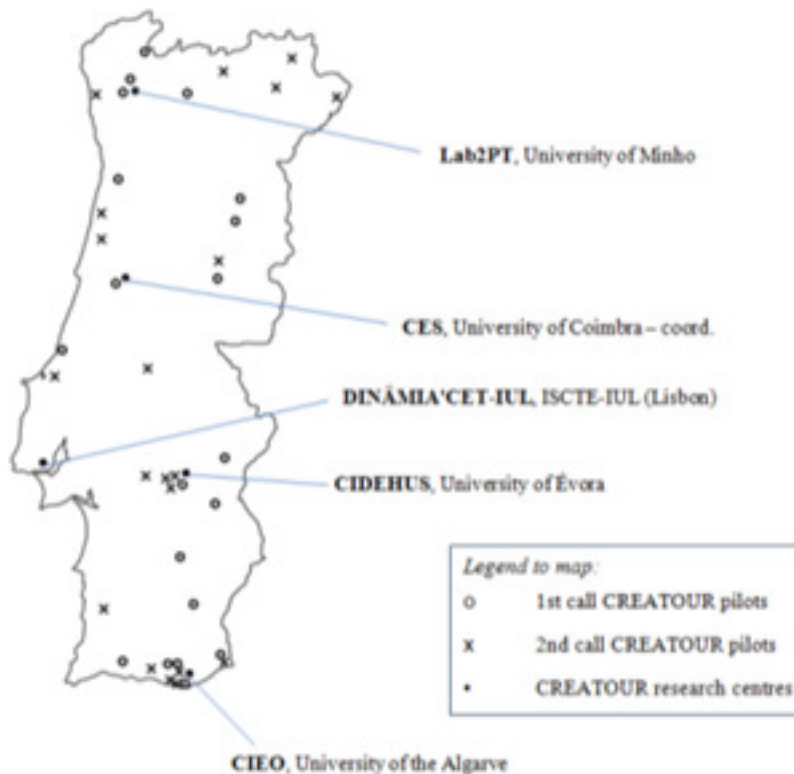
Tourism which offers visitors the opportunity to develop their creative potential through active participation in courses and learning experiences which are characteristic of the holiday destination where they are undertaken. (p. 18)

In reviewing various definitions of creative tourism that have been published, the CREATOUR team selected four reoccurring aspects that resonate most strongly with the type of creative tourism activities the project aims to catalyze: active participation, creative self-expression, learning, and a link to the local community. The CREATOUR vision of creative tourism is centred on active creative activity encouraging personal self-expression and interaction between visitors and local residents, inspired by local endogenous resources (place and people), and designed and implemented by local residents for community benefit. These activities are based in and pull from the talents and cultures of residents and their relations with the place in which they live.

In an era of "overtourism" replete with issues of cultural homogenization and sustainability, creative tourism promises a framework for developing innovative approaches for a sustainable cultural tourism that is place-responsive and community-engaged, balances local and visitor interests, and offers small-scale activities that may be well suited to smaller communities. However, there are still many gaps in our knowledge about creative tourism development, its evolutionary dynamics, and strategies for sustainable approaches. The question of how to catalyze and develop a creative tourism "sector"—especially in non-metropolitan contexts—is rarely addressed in the creative tourism literature.

With this as its context, the CREATOUR project brings together teams in five research centres and 40 pilot organizations to learn, promote, and develop a variety of place-specific, small-scale creative tourism initiatives in small cities and rural areas throughout the Norte, Centro, Alentejo, and Algarve regions of mainland Portugal (see Figure 1). This paper outlines some main features of this research-and-application project, the criteria through which the pilots were selected, and the nature of the pilots. It then discusses six approaches to organizing creative tourism offers that the pilots have developed. In closing, some ongoing tensions and challenges faced by the pilots are presented, and some of the lesson learned to date.

Figure 1: *Map of mainland Portugal showing CREATOUR pilots and research centres*



Source: *CREATOUR*

CREATOUR

CREATOUR: Creative Tourism Destination Development in Small Cities and Rural Areas is an incubator/demonstration and multidisciplinary research initiative that promotes collaborative research processes. The three-year research-and-application project (2016-2019) aims to connect the cultural/creative and tourism sectors through the development of an integrated research and application approach to catalyzing creative tourism in small cities and rural areas throughout Portugal. On the research side, the project aims to examine and reflect on the creative tourism activities, including development dynamics and patterns, reception experiences, and community impacts, using methodologies and theoretical perspectives from the fields of tourism, cultural development, and local/regional development. On the practice side, it aims to catalyze creative tourism offers in small cities and rural areas in Portugal, inform

and learn from their development, and link them with each other through the development of a national network (Duxbury, 2019). Ultimately, the project aims to catalyze and to develop a sustainable creative tourism sector to boost tourism in small cities and rural areas as well as to contribute meaningfully to local cultural vibrancy and holistic development in pilot communities.

The project involves the collaboration of teams in five research centres: Centre of Social Studies (*Centro de Estudos Sociais*, CES) at the University of Coimbra, the overall project coordinator and the in-region research centre for the Centro region; the Centre for Socioeconomic and Territorial Studies (*Centro de Estudos sobre a Mudança Socioeconómica e o Território*, DINÂMIA'CET) at ISCTE – Lisbon University Institute, which coordinates the national Calls for Pilots, the regional and national IdeaLabs, and the local impacts of the pilot initiatives; the Laboratory of Landscapes, Heritage and Territory (*Laboratório de Paisagens, Património e Território*, Lab2PT) at the University of Minho, the in-region research centre for the Norte region; the Research Centre for Spatial and Organizational Dynamics (*Centro de investigação sobre espaço e organizações*, CIEO) at the University of the Algarve, the in-region research centre for the Algarve region; the Interdisciplinary Centre for History, Cultures and Societies (*Centro Interdisciplinar de História, Culturas e Sociedades*, CIDEHUS) at the University of Évora, the in-region research centre for the Alentejo region.

The CREATOUR project takes a cultural development approach, fostering a diversity of "bottom-up" ideas and experimentation rather than setting out pre-defined thematic lines and routes, as is more common in tourism projects. This diversity of orientation and practice is coupled with knowledge-sharing and capacity-building through networking at regional, national, and (to some degree) international scales. Although some existing (isolated) creative tourism activities existed in Portugal prior to CREATOUR, they worked in isolation from each other. While some of these proponents are now pilots within the project, most pilot projects are new initiatives launched in response to the emergence of CREATOUR. Overall, the project is organized using the key dimensions of support to enhance value for creative sector development as a framework: build knowledge and capacity, support content development, link creativity to place, and strengthen network and cluster formation (OECD, 2014).

The development of a network of creative tourism pilots is central to CREATOUR, where pilots play a leading role. By implementing a series of creative tourism offers, these entities are co-researchers at CREATOUR, actively contributing to the knowledge generation processes and overall success of this project. CREATOUR's pilots were selected through two national open calls (with deadlines in January and November of 2017), with five organizations selected during each call in each region: Norte, Centro, Alentejo, and Algarve. Applications were reviewed according to an array of criteria: a) cultural value of the activities proposed; b) the creative nature of the activities proposed; c) capacity for tourism attractiveness; d) impact of the project in terms of community development; e) diversity of focus of the proposals; and f) capacity and commitment to work with the research team during the project. The 40 pilots within CREATOUR develop and implement creative tourism activities and provide 'front-lines' knowledge and insights as co-researchers in the project. Ten pilots are located in each of the four regions of the project, situated diversely within each region (see Figure 1).

In each year, the selection of the pilots occurred in a two-phase process: first, the in-region research centre reviewed applications from their region and pre-elected approximately seven candidates. Then the five research centres met to learn about and review the pre-selected candidates, and to reflect on and discuss the national picture that resulted. Shortly following this meeting, each in-region team finalized their selection of five pilots, and the full set of 20 pilots was announced. Overall, the range of pilots selected aimed to include a wide diversity of approaches, activities, organizational types, and geographic coverage. In the second call, pilot-applicants were also assessed in terms of how they complemented the range of pilots selected in the first call and strengthened the overall network.

The pilot organizations that were selected include not-for-profit art and cultural associations, small entrepreneurial businesses, municipalities, regional development associations, and a few inter-organizational partnerships developed for the call. Individual proponents within these different types of organizations have demonstrated entrepreneurial intentions and desire to be part of developing something new. From a cultural/content perspective, some examples of the pilot activities are:

- craft workshops, involving textile, pottery, ceramics, leather, metal, and wood

- fine arts workshops, including painting, sculpture, drawing, and illustration
- photography, video, and digital arts workshops
- performing arts workshops and community-engaged, participatory artistic residencies
- storytelling sessions and workshops
- gastronomy-focused workshops in which one learns food-related cultures of a place as well as culinary techniques to take home
- creative and interpretative "Walks & Visits" involving creation activities
- ancestral traditions workshops and active participation activities
- raw materials production and work cycles for making, for example, salt, linen, wool, clay, marble, wicker, and so forth.

All pilot projects offer creative tourism activities that "embody local traditions or expertise, local history, and ways of life blended with other specifics of the cultural and local landscape of the locations where activities are organized, whether in a small city or a rural area. This place-sensitive development process served to connect creativity to place and create genuine, immersive, and creative experiences" (Duxbury, Silva, and Castro, 2019).

Creative Tourism in Extra-metropolitan Areas: Emerging Models

Many of the prominent promoters of creative tourism in its earlier years were large cities. While creative tourism initiatives can increasingly be found in smaller places and rural areas, it appears that an implicit "urban context" may have influenced the way in which the field is understood. For example, in a large urban context like Barcelona or Paris a painter can offer a simple painting workshop on a weekend, and this is the common image of creative tourism that comes to mind. The presentation and marketing of creative tourism activities as discrete offers tends to disguise any broader business planning framework that may guide the development of these offers. There are gaps in our knowledge of the business aspects of these activities, including sustainable operational models and strategies (Duxbury and Richards, 2019a).

Through CREATOUR we have become highly cognizant that in more remote, smaller places significant attention must be directed to niche marketing and attraction, the scale of activities to warrant the travel

distance, the specificities of a "place" that provide distinctiveness to the creative tourism offers, issues related to developing an enterprise to sustain the activities (and to balance with other initiatives), and even pragmatic issues of transport (Duxbury, forthcoming). The extent of support and mentoring that might be needed in regards to such business start-up issues was not fully realized in the initial design of CREATOUR, and is an explicit point of attention in plans for future continuation.

CREATOUR's 40 pilot projects are independently designed, implemented, and managed across the four regions the project currently covers. In the context of limited knowledge of creative tourism models in small communities and rural areas, the creative tourism development approaches taken by the pilots – the strategies they have chosen to pursue in these extra-metropolitan areas – are providing important insights into entrepreneurial decision-making, capacities, and the challenges they are facing. Given the nature of the learning-by-experimenting nature of the project, the implementation of the offers is conducted in a manner in which feasible business models, often mixing creative tourism with other activities, are being developed through the practice itself. In a scan of the approaches the pilots are pursuing, six general patterns or models can be observed:

1. Stand-alone offers, repeated

The first, most basic approach has been to develop a small set of workshops or activities, and to offer the same workshop over time. This is appropriate to a start-up situation focusing on a few distinctive offers, and improving their quality through repeat implementation. It also provides a consistency in which a particular location becomes known for these offers, based on cultural or natural features that are central to a locale. For example, the pottery workshops offered at the "Casa do Barro" operated by the local municipality, Reguengos de Monsaraz, provide a do-it-yourself activity and active dimension to augment the interpretation and historical information presented at the venue. Variations in activities regarding pottery-making and decorating clay pottery in the Alentejo style are offered, but always with these activities central. Similarly, the traditional salt-making/collecting workshops developed by Odiana, a regional development association, in Castro Marim (Algarve region) bring a new dimension to a traditional (and still active) activity in the area, offering visitors opportunities to participate in the artisanal collection of *flor de sal* and in a saline spa and reinforcing these traditions and activities with this place.

A variation on this approach has been the development of kits, developed for families to take on self-guided creative adventures in a certain locale. For example, Vagar Walking Tours has developed the creative travel initiative "Play Évora," which features a kit for the whole family to discover Évora (Alentejo region) from a playful and artistic point of view (e.g., through games, drawing and creative writing with interaction with locals). In the Algarve region, the Centro Ciência Viva do Algarve (public agency for bringing science to the public) and the Association of Teachers of Mathematics have teamed up to develop the "Trails that Count" project, featuring a kit that guides children and youth (visiting with their families) through walking trails designed for families to explore the city of Faro in a relaxed way, observing and interacting with details that hint at the most varied areas of knowledge (science, art, history, etc.) and stimulating creativity at the same time. The walking routes draw renewed attention to the city as a place of learning and a place of discovery through challenges that combine science and culture. Both projects promote family interaction and creative informal learning to build knowledge and produce *in situ* memories.

2. *Series of related events and workshops*

In some cases, pilots have focused on traditional processes relating to a particular material like linen or wool, and have developed a series of related events and workshops that highlight different dimensions in the processing of these materials as they are related to a particular locale. This approach enables a variety of related activities to be branded, enabling a wider recognition of an initiative, while avoid repetition of the same activity too often. Cyclical activities can be coordinated with the seasons, while others can be offered in other temporal arrangements. This approach has been observed with individual entrepreneurs establishing their identity and scope of interest and work. For example, LOOM New.Tradition developed a series of workshops relating to sustainable dying and cloth-making, including traditional loom-weaving in the Alentejo, within an interest in promoting slow fashion and the knowledge of how clothes are made. VERde NOVO's focus on the linen Craft of Cerva and Limões, in the Norte region, has developed workshops on learning to weave linen, organized participatory gatherings to sow linen in the field and share outdoor meals, and created an exhibition and illustrated book about the linen traditions and the women who keep it alive. Due to the need for different skills to be incorporated within these different activities, these series are often related to the development of localized networks.

3. Localized networks

Most frequently observed among municipalities and regional development associations, but also among some independent entrepreneurs, the pilot initiative is explicitly the development and fostering of a localized network of artisans, artists, traditional gastronomic practitioners, and other creators to offer a range of different types of workshops and creative activities, all rooted in the locality in some way. This approach places the organizer in a facilitator, catalyst, and promoter role, while the workshops themselves are delivered by members of the local network. As an example, the municipality of Loulé has established a vibrant network related to traditional techniques and crafts, branded within the municipal initiative "Loulé Criativo." For CREATOUR, localized networks were also catalyzed by the municipality of Beja ("Beja Criarte") and by a number of "artisan entrepreneur–mediators," a role in which an independent entrepreneur establishes a network of traditional artisans in their area and to organize and mediate their involvement in creative tourism, offering organizational, promotional, and logistical assistance while the artisans bring the skills and cultural knowledge. An analysis of the nuances of the operations of these artisan entrepreneur–mediators suggests that high levels of social embeddedness within the local rural communities are important in order for these neo-rural entrepreneurs to attain their goals (Bakas, Duxbury, and Castro, 2018).

4. Small-scale festivals

A key issue for creative tourism activities organized in rural areas is visibility, and the development of distinct small-scale festivals that prioritize participatory, creative activity and immersive experiences seems to provide a way to gain this profile. These small-scale, locally rooted festivals offer creative travelers a critical mass of attractive creative activities, with marketing visibility and a predictable repeatability that can foster annual repeat participants. For example, Encontrarte Amares is a biannual festival held in and around the town of Amares (Norte region) co-organized by the municipality of Amares in partnership with ARA – Artistic Residencies Amares. The multidimensional festival aims to connect contemporary art expression with the traditional heritage of the region of Minho. Promoting an environment of experimentation, participation, gathering, active contemplation, and freedom of thought, the four-day event visual arts activities and exhibitions, animated cinema, performing arts, radio, a series of discussions and theoretical reflection, artistic residencies, competitions, and educational activities. In the Centro

region, 180 Creative Camp, jointly organized by the municipality of Abrantes and Canal 180, develops a week-long programme where international young creators come together for a program of workshops, concerts, conferences, urban interventions, and discovery of the small-city and surrounding rural territory. In the remote northeast of the country, two cultural heritage foundations – the Mirandese donkey and the Mirandese bagpipe – propel the itinerant "L Burro i L Gueiteiro" Festival, organized by Galandum Galundaina. During the afternoons of this five-day festival, there are workshops on themes as diverse as the Mirandese language, the construction of traditional instruments, bagpipe and pastoral flute, workshops with the theme of the Asinine breed, the traditional dance – "Pauliteiros," as well as traditional percussion.

5. Accommodations+

In some cases, the CREATOUR pilot organization manages a site that offers accommodations to travelers, and in this setting has developed a variety of workshops (and one small-scale festival) in which participants stay at the site. Although this has led to hotel-specific creative tourism weekend packages in other countries (e.g., Austria), the way in which this complementarity is evident among the CREATOUR pilots derives more from a culture-led vision featuring artistic residencies. For example, situated on a biodynamic farm offering cabins for visitors, the association Domínio Vale do Mondego has launched the initiative Mondego Art Valley (Centro region) to initiate, organize, develop, and implement activities and projects in the area of art and culture, biodynamic agriculture, education and training, and nature and ecology – including artistic residencies and workshops and the annual mid-summer Estival creative festival. VIC – Aveiro Arts House, located in the center of Aveiro (Centro region), is a five-story building that was the residence of the artist Vasco Branco (1919-2014) and is filled with works of art and period furniture. Today it contains: a local themed lodging space, dedicated to the arts; an artistic residence and co-work space; a cultural space with a small auditorium and a gallery, where cultural events and training events take place. Quickly becoming a cultural hub of the city, the synergy between travellers seeking alternative accommodations in this building, invited artists in residencies, and the various contemporary artistic workshops offered by these artists (and others in the community) is being fostered as the business model evolves.

6. *Framework for inclusive community development*

A variation of building localized networks inspired by community-based tourism initiatives, we also witness the development of a multifaceted creative tourism initiative in which a major focus of attention is on the community itself. In various ways we see echoes of these approaches among many of the pilots, which have been encouraged by the project, but it is most clearly and centrally expressed in MosaicoLab.pt. Guided by values of inclusion and diverse partnerships, MosaicoLab.pt is using creative tourism as a catalyst for deepening local knowledge and appreciation of the rich Roman mosaic intact heritage found in the region of Conímbriga e Sicó (Centro region), aiming to propel informed holistic development in which the cultural heritage resources of the place provide an inspiration and foundation for diverse future activities. Particular attention has been focused on conveying this knowledge to local children and youth so that they may become the future stewards and interpreters of these resources for future visitors, and perhaps develop other initiatives.

Beyond these six approaches, a number of other initiatives are taking root currently, characterized so far by vibrant experimentation and the invention of new hybrid approaches to creative travel and learning about (and with) the people and place visited. For example, some pilots are mixing heritage tours with creative regional gastronomy lessons (Eating Algarve Food Tours), fostering knowledge and appreciation of nature through independent exploration and creative activities for families and children (Espírito da Terra & Co.), and combining traditional craft and environmental concerns (MARCA – ADL's workshop on ceramics for plant propagation).

The approaches and the experimentation underway among the CREATOUR pilots have demonstrated the importance of contextualizing creative tourism offers within a broader "constellation" of activities, interests, and passions. These affiliated activities are diverse, creatively arranged, and often develop organically over time. The community-rootedness of the initiatives is stressed, helping to ensure the activities are developed in close connection with the interests of local residents, providing a local authenticity and meaningfulness that is increasingly sought out by creative travellers. As mentioned earlier, CREATOUR envisions creative tourism as an experience and meeting point featuring active participation, creative self-expression, learning, and meaningful connection between local residents and visitors. While there is a quality of production that can be planned and developed, the essence of the offer

and the experience is in the live exchanges that occur within these activities.

Beyond a tourism perspective, however, creative tourism activities also provide for the development of a variety of opportunities to be inspired by and to articulate the specificities of a place through creative and innovative methods. It presents a means for activating cultural heritage(s) in diverse manners, bringing life and catalyzing new inspirations from tangible and intangible resources of a place. From this more expansive viewpoint, creative tourism can be viewed as a hybrid meeting place between a variety of means of cultural production and options for providing an "active and creative" tourism experience. In this duality, the entrepreneurial potential of creative tourism can bridge the culture and tourism domains and offer new insights as well as innovative integrated and hybrid approaches to catalyzing the cultural resources of a place and embracing travel as meaningful exchange and interaction. Bringing together local knowledge, skills, and understanding with visitors' outside perspectives and other capacities has the potential to spark new ideas and ways of thinking that can enrich the participants in an activity and be fed into consequential activities and actions.

Lessons Learned and Pathways Forward

The CREATOUR project embodies an open approach to locally important ideas, inspirations, and collaborative explorations. We contend that this is an appropriate guiding strategy in the context of a creative experiment and the desire to foster new and different, to diversify current offers, to surprise, and to be flexible and innovative in development trajectories. However, it also carries the risk of any production-led (or supply-led) model. As Raymond (2007) has discussed, this risk concerns the degree of "take up" of the offers: "Will anyone be interested in what we want to offer?." We are also reminded of the ongoing threat of "serial reproduction" in cultural tourism (Richards and Wilson, 2006) and the competitive need to offer distinctiveness within a very crowded global marketplace. For example, how can one watercolour painting course distinguish itself from other similar courses?

As a result of such questions, it increasingly appears that the *place* in which the activities are set, from which they are derived or inspired, and which surrounds and contextualizes the experiences is a key distinguishing factor – and this is especially important in smaller

communities and rural areas. Many of the locations where the pilots are found are not typically on a "tourist route"; however, in the face of ever-more-crowded urban centres and a desire for some travelers to seek out "lesser known" and "less crowded" locations – coupled with the capacity for distinctive and unique experiences to draw these potential visitors – this can be an advantage. However, this brings extra pressure to be visible and engage these potential visitors, and thus to enhance marketing and communications knowledge and capacities. It also emphasizes the necessity of fully enrooting the activity in the essence and the distinctive elements of the place.

Consequently, for creative tourism development projects based in smaller cities and rural areas, CREATOUR recommends the following:

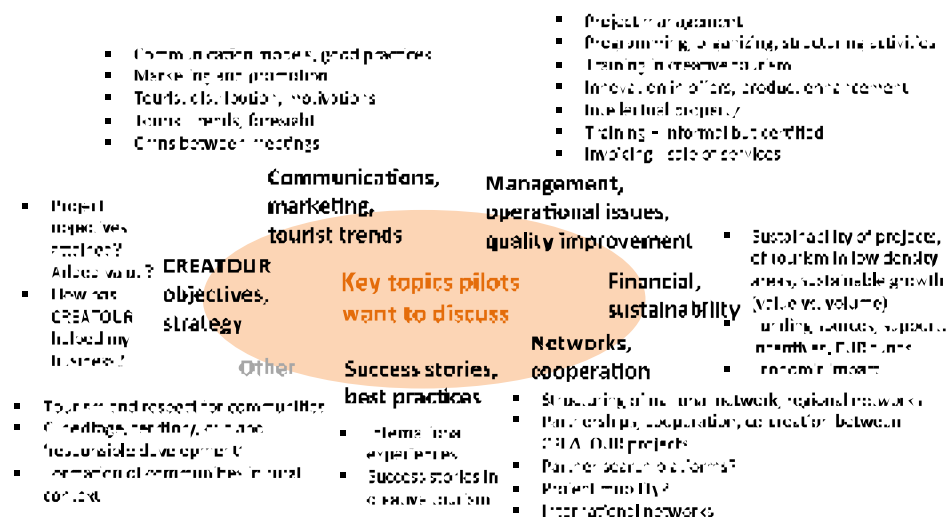
- *Know who you are.* Define your own uniqueness, enrooted in a particular place. From this base, define with precision what you have to offer. Remember the importance of the social experiences and milieu on site within the creative tourism activity.
- *Envision your participants.* Identify your niche interest groups, with precision, and carefully develop a communication strategy for each group.
- *Know your territory.* Scan/map the resources and benchmark the activities offered in your surrounding area. What is offered for local residents? And for visitors? How are they provided? Look at both cultural and creative tourism offers as well as nature, well-being, and gastronomic resources that could align with your offers.
- *Create your own collaboration network.* Unite with others and combine diverse skills and competences. Create spaces for informal communications and networking. Share information—foster idea generation, discussion, knowledge-building, and joint activities.
- *Learn from others' experiences.* You don't have to reinvent the wheel. Look at interesting initiatives internationally and adapt great ideas that may be appropriate to your place. Look also at unsuccessful projects and the lessons learned from these experiences. (Duxbury, Silva, & Castro, forthcoming in 2019)

An important dimension of CREATOUR is ongoing communication among researchers and pilots, and a desire to incorporate the experience-based knowledge and learning that occurs "on the front lines" within the research process. At twice-annual regional IdeaLabs, the pilots and in-region researchers gather together to discuss the pilot projects' progression and issues and to discuss avenues for addressing these

challenges and moving forward. In these meetings, the pilots have shared their processes and product designs, recounted their successes and surprises, and articulated the main problems they are facing and the areas in which more support and attention is needed. As a synthesis of one of the exercises carried out with the pilots in the spring of 2018, an overview of some of the topics that have been top-of-mind for the pilots is presented in Figure 2.

In many ways, the topics listed are similar to the subjects of any entrepreneurial start-up initiative. However, in the case of creative tourism, little of these topics have been documented to date. Furthermore, if they exist they are scattered and challenging to find, or not in accessible formats. We have organized annual international conferences to bring together international practitioners and researchers, including members of our international advisory board, and have aimed to programme sessions with useful topics for the pilots. However, we have learned that this is only part of the answer and more dedicated resources are also required to inform this work.

Figure 2: *Key topics that were of top-of-mind among CREATOUR pilots, May 2018*



Source: *Author*

Overall, the pilots' top concerns have been related to communication and promotion, as well as longer-term sustainable operating/business models. As a new and "side" activity for the pilot organizations, the amount of

time and energy they are able to dedicate to these new initiatives varies among the pilots. The time and effort they are able to dedicate to background market research, development and design, and planning efforts is limited. This overarching condition constrains the rate of development of the pilots, hinders the degree to which they can plan and schedule ahead, and limits the pace at which initiatives can be offered and diversified. Uncertainty tends to inhibit these processes further. While guidance is offered through the IdeaLabs, we have realized that further project mentoring and business planning support, integrated within the project, would be an asset for the future.

Who is the creative tourist? The issue of how to attract visitor-participants is linked closely with effectively defining, reaching, and engaging the envisioned creative travellers. Anecdotally, there is a wide range of types of creative travellers, although this is a significant gap in the research literature (Duxbury and Richards, 2019b) and not a part of standard tourism surveys and typologies. This information did not previously exist and a key aspect of the CREATOUR project is the implementation of participant questionnaires in all pilot activities. However, the compilation, data input, checking, and analysis processes for this data take time. But this is only one dimension of addressing the knowledge gap. Significant attention to possible visitor-types and markets, and how to contact them, is imperative. This plays out at multiple levels: The distinctiveness of each offer requires that research and marketing is conducted at the level of each initiative and tailored to niche interest groups as well as tourism agents, which must be supported by research and centralized communications by the broader network/project.

At the same time, in examining the development of the pilots and the ways in which they are enrooted in their place, we are reminded that small places can only accommodate limited numbers of visitors and developments should be incremental with all dimensions and impacts considered. Pragmatic questions about the operational capacity of each pilot and the carrying capacity of the small communities in which they are embedded must be top of mind. Sustainable change typically must be slowly enrooted into an environment. Small-scale, limited numbers of initiatives may be most appropriate in particular contexts.

As a result of these discussions with our pilots, and the realization that a broader array of competences must be brought together to meaningfully assist such initiatives, we are in the process of developing an international

book, directed towards practitioners and local agencies who may be interested in fostering creative tourism, that can bring together international expertise – academic and practitioners – to help inform the next generation of initiatives. Some of the CREATOUR pilots will be asked to contribute their experiences and insights as part of this, along with other practitioner-colleagues located internationally. Coupled with this, we will be launching a "CREATOUR International" network to encourage awareness and knowledge exchange among small-scale creative tourism developers and interested researchers and to provide a framework for future conferences and other online learning and knowledge-sharing initiatives. We encourage anyone who is interested in participating in this network to contact us at creatour@ces.uc.pt.

Conclusion

At its core, creative tourism involves active learning experiences enabling creative self-expression and skill development. An essential feature in this process is the firm link of creativity to place and its embeddedness in the local milieu, enabling visitors to immerse themselves within the local culture, meaningfully interact, and actively create with local trainers/guides and other local residents.

With the variety of creative tourism activities that can be developed, and broader packages designed around them, a diverse array of entrepreneurial opportunities can be linked to creative tourism. Beyond individual business initiatives however, creative tourism promises the possibility of generating economic and social added value to a region, inclusive modes of development, and a new perspective from which to re-envision ways to induce and augment the vitality of local cultural (and other) resources, both tangible and intangible.

CREATOUR is an experiment to integrate research and application to catalyze a network of creative tourism initiatives located in small cities and rural areas across four regions of mainland Portugal. As a first step, the project is finding that creative tourism appears to be feasible in these regions, and can help bridge the cultural and tourism sectors for local and regional benefit. We remain confident in the CREATOUR vision of creative tourism centred on active creative activity encouraging personal self-expression and interaction between visitors and local residents, inspired by local endogenous resources (place and people), and designed and implemented by local residents for community benefit. It is a solid

base from which to build alternate, diversified tourism offers and to accentuate and activate local cultural resources and distinctiveness for future development. The enrootedness of the creative tourism activities, the ways in which they based in and pull from the talents and cultures of residents, and their relations with the place in which they live are key strategic assets.

However, there are also important challenges that must be addressed, linked to the start-up nature of the initiatives, a limited knowledge-base to support the field, issues of distance and remoteness, and the small-scale and niche nature of the offers which produces challenges for designing sustainable business models and requires significant marketing and communication attention. The challenges of start-up enterprises – especially those located in smaller communities and rural areas – are crucial to acknowledge and address. Enabling capacity building processes for start-up activities and catalyzing networking dynamics for knowledge sharing and partnerships is foundational, especially for geographically dispersed initiatives. It is also essential to plan for the time necessary for start-up activities to be designed, planned, and implemented – a process that is lengthened when the development process includes the participative involvement of local community organizations and actors. Network development – locally, regionally, or nationally – also requires time for meeting, interacting, learning together, trust-building, and then collectively taking action(s).

Acknowledgements

This work was developed within the CREATOUR project (no. 16437), which is funded by the Portuguese Foundation for Science and Technology (FCT/MEC) through national funds and co-funded by FEDER through the Joint Activities Programme of COMPETE 2020 and the Regional Operational Programmes of Lisbon and Algarve.

References

1. Bakas, F.E., Duxbury, N., Castro, T.V. (2018). Creative Tourism: Catalysing Artisan Entrepreneur Networks in Rural Portugal. *International Journal of Entrepreneurial Behaviour and Research*, Vol. 24, early cite, 22 pp. Special Issue on Artisan, Cultural and Tourism Entrepreneurship.

2. Duxbury, N. (Forthcoming in 2019). Catalyzing Creative Tourism in Small Cities and Rural Areas in Portugal: The CREATOUR approach. In K. Scherf (Ed.), *Creative Tourism and Sustainable Development in Smaller Communities*. Calgary: University of Calgary Press.
3. Duxbury, N., G. Richards. (2019a). Towards a Research Agenda for Creative Tourism: Developments, Diversity, and Dynamics. In N. Duxbury & G. Richards (Eds.), *A Research Agenda for Creative Tourism* (pp. 1–14). Cheltenham, UK: Edward Elgar Publishing.
4. Duxbury, N., G. Richards. (2019b). Towards a Research Agenda in Creative Tourism: A Synthesis of Suggested Future Research Trajectories. In N. Duxbury & G. Richards (Eds.), *A Research Agenda for Creative Tourism* (pp. 182–192). Cheltenham, UK: Edward Elgar Publishing.
5. Duxbury, N., Silva, S., Castro, T.V. (Forthcoming in 2019). Creative Tourism Development in Small Cities and Rural Areas in Portugal: Insights from Start-up Activities. In D. A. Jelinčić & Y. Mansfeld (Eds.), *Creating and Managing Experiences in Cultural Tourism*. Singapore: World Scientific Publishing.
6. OECD. (2014). *Tourism and the Creative Economy*. Paris: OECD.
7. Raymond, C. (2007). Creative Tourism New Zealand: The Practical Challenges of Developing Creative Tourism. In G. Richards & J. Wilson (Eds.), *Tourism, Creativity and Development* (pp. 146–157). London: Routledge.
8. Richards, G., Raymond, C. (2000). Creative Tourism. *ATLAS News*, no. 23, pp. 16–20.
9. Richards, G., Wilson, J. (2006). Developing Creativity in Tourist Experiences: A Solution to the Serial Reproduction of Culture? *Tourism Management*, Vol. 27, No. 6, 1209–1223.

TOURISM OR NOT? A REPORT FROM THE SOUTH BAČKA DISTRICT¹

Drago Cvijanović²; Tamara Gajić³;

Abstract

There are many discussions in the world about the influence of tourism and its importance in the overall economic development, from different perspectives and with different assessments. Vojvodina's tourism, and therefore the South Bačka District, has not yet reached the satisfactory level of development, nor has it had a visible impact on economic development. The development of the tourist industry largely depends on the perception of the local population, and it has been a more and more prominent topic in the world of research. The authors have attempted to investigate the attitude of the local population in some cities in the South Bačka District, about the current level of tourism development, the importance and benefits of its further development in South Bačka. The authors used the method of survey research, and data processing was performed in SPSS model, program version 21.0. The obtained results indicate the confirmation of the starting hypothesis and the possible positive impact of tourism on the development of the investigated areas.

Key Words: *Tourism, development, South Bačka District*

JEL classification: *Z32, O1*

¹ The paper is part of the research at the project III-46006 "Sustainable agriculture and rural development in terms of the Republic of Serbia strategic goals realization within the Danube region", financed by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

² Drago Cvijanović, Dean, Full professor, Ph.D. Faculty for Tourism and Hotel Management, University of Kragujevac (Vojvodanska 5A Street, 36210 Vrnjačka Banja, Serbia, Phone +381 63 295 111, drago.cvijanovic@kg.ac.rs; dvcmmv@gmail.com)

³ Tamara Gajić, PhD, Assistant professor, Novi Sad Business School (Vladimira Perića Valtera 4, 21000 Novi Sad, Serbia, Tel. 0038164 914 26 45, Fax. 00381 21 6350 367; e-mail: aleksandravujko@yahoo.com, University of Business Studies, Faculty of Tourism and Hotel Management (Jovana Dučića 23a, Banja Luka 78000, Republic of Srpska)

Introduction

It is a fact that tourism in the last decades represents the growing world industry. By the degree of coverage of tourism trends, tourism has become the most important phenomenon or branch of the economy in the world, with a comparative development of all factors that stimulate the expansion of this activity. Every year, the trend of tourism as one of the world's leading branches is growing, with a large share of its gross domestic product revenue. The predictions are that tourism in total employment will generate more than 15% of GDP, from 8% in total employment to 30% in foreign trade. Tourism is a large, inexhaustible source of new jobs. This industry is one of the consumers of energy, as a total of 50% of energy consumption decreases in transport (Cvijanović et al., 2018). Travel, to and from destinations, accounts for 90% of total tourism consumption, and air travel 10% of the total consumption of liquid fuels (Aas et al., 2005; Kim et al., 2013). The great influence of tourism on the overall economy of one country is unquestionable, but it is also so clear that current tourism values should be left to future generations in a better or at least unchanged state.

An important segment is also the impact of tourism on the engagement of the local workforce in the capacity to accommodate tourists and to maintain and control changes in the natural environment. There is a large number of studies in the world dealing with the impact of tourism on economic development. The differences are evident: in some countries tourism has stimulated economic development expansively, whereas, in others, it has been of little significance. Yet, there is evidence that economic development stimulates the development of tourism. The South Bačka District, as a part of Vojvodina and Serbia, attracts tourists with special features of its space, culture-historical values, a certain quality of existing tourist products (Petrović et al., 2017; Gajić et al., 2018). Vojvodina has an advantage over some tourist destinations precisely because of its preserved natural ecological landscapes. This factor is an important item in the fight against competition in the market. It is very important to note that the development of tourism should continue to be based on such values, the preservation of natural resources, and sustainable development. The South Bačka District is not a destination that needs to limit the supply of small products, but on the contrary. However, in conditions of low competitiveness of the business environment, the contribution of tourism to economic development is at a low level. Tourism of the South Bačka District is characterized by

inadequate differentiation of tourist products and services. Of course, the low level of inclusion of innovative and quality content for tourists stay should be highlighted. The South Bačka District is just beginning with more expansive national marketing, a large number of poorly branded products. The development of tourism in the District depends on social and economic trends in the region and at the national level, so that the development must be in line with long-term national policies.

The tourism development vision in the region should rely on the fact that the South Bačka District is a recognizable tourist destination, attractive, competitive, where new jobs are created, and which applies the principles of sustainability in an adequate manner. Start-up goals for the development of tourism in the District must be primarily related to improving the supply, structure and quality of infrastructure units. Then, the development of this industry will affect employment either by opening new jobs, the realization of new investments, or increasing the participation of cultural objects in the tourist offer (Gajić, 2010). Investing in cultural, sporting and entertaining events, and introducing a portfolio of highly attractive products of culture and life, especially where they represent the image of the destination. Vojvodina is positioned as a destination for rural development, tourism, and many other products that can contribute to a positive image (Cvijanović et al., 2018). Today it is considered that the local population has become an important factor in the development of tourism and its positive attitude is one of the main factors of successful development of this industry in one place. The local population is involved in tourism in different ways (Vujko et al., 2014). Some participate directly in tourism (providing catering services), some indirectly (by selling certain products related to tourism), while others do not participate in tourism in general. In an area where tourism is not supported, various resistances of the population to such investments can be expected. Concurrent with the development of tourism, there is awareness of the fact that the population of receptive regions can no longer be viewed as a passive recipient of tourism, but as one of the factors of its development, design and sustainability. When planning the development of tourism, it is necessary to analyze the potential of the local population in taking a share of its realization. Therefore, there is a more pronounced social awareness about the importance of controlling the movement of tourism in order to preserve receptive regions, in accordance with the principles of sustainable development.

Local communities should have significant participation in projects related to the implementation of tourism in their communities. Local residents may be inherent to the environment they live in, have limited interest in the business and recreation in relation to some other place. Hence, the authors have surveyed the local population and done data analysis and monitoring of the gender, age, educational structure of respondents, in order to get answers about the extent and importance of the development of tourist activity in the surveyed municipalities (Bačka Palanka, Bački Perovac, Bečej, Beočin and Vrbas). In addition to these structures, the research is also based on an examination of whether there are significant differences in the responses in relation to the municipality. Survey data were analyzed in SPSS software, version 21.0, and the models of Descriptive Analysis and Pearson Correlation. The results which have been obtained by the authors, undoubtedly point to the attitude of the local population about the current and future development of tourism in the surveyed municipalities.

Literature review

Tourism is a cluster of a large number of business activities. Also, other branches of the economy play a great role in this development, in terms of the extent to which they are able to provide products and services (through the reproductive consumption of economic activities engaged in tourist needs), which are included in tourist spending. Tourists' consumption is the main component of all economic aspects of this activity, as well as the bracing of tourism and overall economic development. The content and quality of tourist services influence the development of tourism activity, and also the overall economic development. It is about mutual engagement. Numerous effects of tourism on the development of the economy are reflected in its characteristics of multiproducts, including phases of supply, transport, accommodation, infrastructure, etc. Tourism with all its needs is a decisive factor in the development of the economy.

Table 1: *Total contribution of travel and tourism to GDP (% , 2007 - 2015)*

	2007.	2008.	2009.	2010.	2011.	2012.	2013.	2014.	2015.
<i>World</i>	9.6	9.4	9.3	9.0	9.1	9.1	9.2	9.3	9.3
<i>Europe</i>	8.1	8.0	8.0	7.7	7.6	7.7	7.6	7.6	7.7
<i>EU</i>	8.3	8.1	8.1	7.8	7.8	7.8	7.8	7.8	7.9
<i>Portugal</i>	13.6	14.2	13.3	13.8	14.7	15.1	15.4	15.6	15.7
<i>Macedonia</i>	5.1	5.2	5.2	5.1	5.2	5.5	5.6	5.7	5.7
<i>Montenegro</i>	21.6	24	16	15.7	17.1	19.7	22.9	25.5	27.4

<i>Austria</i>	12.1	12	12.3	11.7	11.8	12.2	12.5	12.6	12.8
<i>Italy</i>	9.3	8.7	8.4	8.4	8.5	8.7	8.8	8.9	9.0
<i>Serbia</i>	6.1	5.9	7.5	7.8	8.0	8.0	8.0	8.0	7.9
<i>Spain</i>	14.9	14.9	14.7	14.3	14.3	14.4	14.4	14.3	14.3
<i>Greece</i>	17.3	16.5	15.2	15.3	15.7	16.3	16.7	16.9	17.1
<i>Croatia</i>	27.6	28.5	25	26.3	27.5	29	29.7	30.1	30.5

Izvor: *WTTC, Tourism Research*

In order to achieve the tourist offer, the economy can be engaged in the following activities: maintenance and construction of new transport infrastructure, maintenance and construction of communal and energy infrastructure, construction of accommodation capacities, construction and maintenance of specific tourist offer, engagement of local agricultural capacities for providing quality products of the local environment, provision of quality food products, education and training of employees, promotion, production of propaganda material and souvenirs, etc. It can be concluded that there is a relatively small number of economic activities that do not find their interest in tourism development. Although according to the data, the percentage share of tourism in GDP is relatively low, its impact on the engagement of the economy is significant.

Many questions about how and in what way the locals participate in the tourism industry remain to be explored. The main focus of most research is placed on positive impacts (benefits) derived from tourism development (Sharpley, 2014). Some time later, when tourism increased its influence and became more important in the development of the society, the economy began to emphasize the negative factors (Chen & Tian, 2015). Also, a greater involvement of the local population in tourism development realized by other researchers (Abolins et al., 2008; Chen & Tian, 2015; Petrovic et al., 2017), also reflects the positive effects and cost overruns. Some authors focus on the positive and negative effects of tourism trends in the development of local communities and the perception of the local population (Gursoy et al., 2002; Petrovic et al., 2017).

The research on residents' perceptions has also moved to another level of approaches by exploring specific variables predicting residents' perceptions of tourism within communities (Gajic, 2010). More recent research has tackled the perceptions of tourism development consideration of the benefits of these activities and greater quality of life of the local population (Vujko et al., 2014). Tourist developments may cause adverse effects by the local population, primarily because of its seasonal character, which in the course of one season, increase the

negative effects such as noise, increased environmental pollution etc. (Sheldon et al., 2001; Breugel et al., 2013), often causing inconvenience to the local residents (Abolins et al., 2007; Sheldon et al., 2001). Many theorists have noted that individuals began to engage more in the tourism industry when they saw the positive effects of the development of this area, where in the exchange of resources there are more benefits than costs (Marzuki et al., 2012; Nunkoo et al., 2012; Wang et al., 2015).

Negative attitudes of the local population can slow the development of tourism and the establishment of stagnation in tourist destinations (Teye et al., 2002; Petrović et al., 2017), and also cause negative effects on local attractions and the hospitality of local residents (Gursoy et al., 2002). The success of the tourism industry depends on local attractions and the hospitality of local residents (Gajić, 2010). Within these specific environments, residents' support is a key factor in tourism development (Vujko et al., 2014). Knowing the attitude of the local population helps reduce negative effects, cost reductions and positive development of this industry (Prayag et al., 2013). Local residents play a key role in the development and planning of tourism development (Vargas et al., 2015). The research interest in residents' attitudes towards tourism began in developed countries, especially in the United States (Zhang et al., 2013), and in areas and countries where tourism has developed more intensely, such as New Zealand, Canada, Australia and the United Kingdom (Hung et al., 2011; Gajić, 2010).

Other studies, mostly pointed to the fact that half the population can play a decisive role in creating a positive or negative attitude about massive tourism development (Mason et al., 2000; Nunkoo et al., 2012). Hung & Gursoy (2011) reached a similar conclusion and indicated that middle-aged hosts had more negative views about the development of tourism in relation to the younger generation. Actually, residents' attitudes towards tourism gradually improve as their levels of education increase (Teye, et al. 2002). Local people have great power in determining the development of the tourist industry, but it can be manifested in a very spontaneous manner (Marzuki et al., 2012; Zhang et al., 2013). The cooperation of local institutions and their members contributes to the positive development of joint decision-making and goal-setting, but the benefits from all of this can be a single (Nunkoo et al., 2012). However, some authors point out that the local population has little or significant influence on decision-making and directing the development of some tourist destinations (Tosun, 2006). Decisions and positions of the local

population are partly limited by the political and economic conditions at the destination destination, which may impede or facilitate the creation of program development by the local population (Hung et al., 2011).

Population participation is impossible without the support of all organizations and stakeholders (Gajić et al., 2018). We can cite many other authors who have dealt with the research of positive and negative impacts on tourism destination development (Vujko et al., 2014; Kim, et al., 2013; Sharpley, 2014). Among the the positive effects of tourism is influencing the attitudes of the local population, which is in this case more involved in its development, as well as continuing to support the programs and goals of development, while, if the negative effects of tourism are encountered, local citizens should discourage the further development (Breugel, 2013).

Methodology procedure

The research was carried out in the territory of the South Bačka District in the following five municipalities: Bečej, Beočin, Bačka Palanka, Bački Petrovac and Vrbas, in the period from April to June 2018. The authors investigated the local population respective structures (N = 120; gender, education, age, municipality). Explanation of indicators: when the analysis was performed to standardize the variables, the following was done:

Table 2: *Display of standardized variables*

Variable	Gender	Education	Municipality	Tourism - undeveloped	Tourism - development opportunity	Benefits from the development of tourism
1 =	Male	Secondary school	Bečej	Yes	Yes	Increased standard
2 =	Female	High school	Beočin	No	No	New jobs
3 =	---	Faculty	Bačka Palanka	---	---	Better quality of life
4 =	---	Elementary school	Bački Petrovac	---	---	Free capital for investment
5 =	---	---	Vrbas	---	---	Higher level of education

Source: *Authors' research*

For the purpose of understanding the nature of the analyzed variables, descriptive statistics will be displayed. Also, descriptive statistics, the "cornerstone" for any kind of analysis, which allows the researchers to

describe important aspects of all variables, is the first step in the empirical analysis. The arithmetic mean is usually calculated measures of central tendency and a large number of statistical techniques in the statistics used the mean of the conclusion. It represents the average result in a distribution of results. Standard deviation is an absolute measure of dispersion in the basic group. It shows how much the average set of elements deviate from the arithmetic mean expensive.

Correlation coefficients express a measure of association between two variables in units independent of specific units of measurement in which the carrying amount of variables. There are several correlation coefficients which can be used in different situations. When it comes to working with linear models, typically Pearson correlation coefficient is used. The dependence will be observed by the Pearson correlation coefficient, which is in the range of -1 (negative correlation) to 1 (positive correlation). As the resulting value is closer to the unit, there is a greater correlation between the two phenomena, as it nears zero to less dependence. If the interval in which the correlation coefficient ranges between 0-0.3, it is a weak dependence. In the interval of 0.3-0.7, a medium dependence is in question, whereas a strong dependence is of range of 0.7-1. In the study, the authors started from the hypothesis H: The local population supports the development of tourism and believes that tourism has positive implications for the overall economic development in the municipalities of the South Bačka District.

Results and discussion

The local population filled out a questionnaire with a total of three questions related to the development of tourism: Is tourism in your municipality sufficiently developed? Is tourism a development opportunity? Would the municipalities welcome the development of tourism?

Table 3: *Descriptive analysis of subjects by gender, age and education structure*

	N	Mean	Std. Deviation	Variance
Gender	120	1.57	.497	.248
Age	120	38.95	13.574	184.254
Education	120	1.56	1.017	1.035
Valid N	120			

Source: *Authors' research*

Statistical analysis of the data determined the arithmetic mean, standard deviation and variance for the basic parameters pertaining to gender, age and educational level of the population. Standard deviation is an absolute measure of dispersion in the basic group. It tells us how much, on average, a set of elements deviate from the arithmetic mean set. The variance represents the mathematical expectation of the random variable deviations from its mean value standardizing variables authors found results.

The mean half of respondents was 1.57, which indicates the equal representation of males and females in the study. The value of the standard deviation is 0.497, while the variance of 0.248. Arithmetic mean for age of the patients is 38.95 years of age, wherein the standard deviation of 13.574, and variance 184.254. The arithmetic mean of the level of qualification subjects is 1.56, and one can conclude that the majority of subjects with a high school education. The standard deviation is 1.017, while the variance is of 1.035. During the study, the local inhabitants were asked three questions, the responses being disaggregated by gender, and then the combined results for all subjects were shown. As for respondents' answers to the question of whether tourism is underdeveloped in the municipalities, male respondents considered tourism is not sufficiently developed (mean 1.96), and the female respondents were also of the same opinion that tourism in their municipalities is underdeveloped (mean 1.88). Both male and female respondents pointed out that tourism is a chance for the development of their municipalities (male: mean 1.10; female: mean 1.28). The development of tourism municipalities to obtain new jobs, thus improving the quality of life was indicated by men (mean 2.73), while the female respondents considered the development of tourism mainly to in relation to creating jobs (mean 2.37).

Table 4: *Descriptive analysis of issues by gender structure of the population*

Gender		Is tourism sufficiently developed in your municipality ?	Is a development opportunity ?	Would the municipalities welcome the development of tourism ?
Male	Mean	1.96	1.10	2.73
	Std. Deviation	.196	.300	1.358
Female	Mean	1.88	1.28	2.37
	Std. Deviation	.327	.454	1.191
Total	Mean	1.92	1.20	2.53
	Std. Deviation	.280	.404	1.272

Source: *Authors' research*

A difference in opinions regarding sufficient development of tourism in the municipalities according to the gender structure of respondents is refuted on the basis of the analyzed results. Tourism as a development opportunity is refuted as well, since there are no significant differences in the respondents by gender. The benefit of tourism development is confirmed, since there is less difference: men generally consider that tourism contributes to the creation of new jobs and improving the quality of life, while the female half is based solely on the workplace. Respondents aged 18-35 and 36-50, believe that tourism is poorly developed in their place of residence (18-35: mean 1.86; 36-50: mean 1.88). While respondents 51-65 years old consider it to be extremely poorly developed (mean 1.95).

Table 5: *Descriptive analysis by age*

Gender		Is tourism sufficiently developed in your municipality ?	Is a development opportunity ?	Would the municipalities welcome the development of tourism ?
Male	Mean	1.96	1.10	2.73
	Std. Deviation	.196	.300	1.358
Female	Mean	1.88	1.28	2.37
	Std. Deviation	.327	.454	1.191
Total	Mean	1.92	1.20	2.53
	Std. Deviation	.280	.404	1.272

Source: *Authors' research*

The respondents of all age groups consider that the tourist industry is a development opportunity for the municipality (18-35: mean 1.21; 36-50: mean 1.22; 51-65: mean 1.24). When asked about the benefits they receive from tourism, the generation up to 50 years are of the opinion that tourism increases the standard of living (18-35: mean 2.61, 36-50: mean 2.66), while those between 51-65 years, believe that tourism creates jobs (mean 2.21).

Table 6: *Descriptive analysis by the educational attainment*

Education level		Is tourism sufficiently developed in your municipality ?	Is a development opportunity ?	Would the municipalities welcome the development of tourism ?
Secondary education	Mean	1.91	1.19	2.54
	Std. Deviation	.294	.393	1.268
High school degree	Mean	1.85	1.31	2.92
	Std. Deviation	.376	.480	1.382
Faculty	Mean	2.00	1.29	2.43
	Std. Deviation	.000	.488	.976

TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA
Tourism as a Generator of Employment (TISC 2019) – Thematic proceedings II

Elementary school	Mean	2.00	1.15	2.08
	Std. Deviation	.000	.376	1.320
Total	Mean	1.92	1.20	2.53
	Std. Deviation	.280	.404	1.272

Source: *Authors' research*

The development of tourism to a sufficient extent and expected negative secondary and higher education: subjects with secondary school believe that tourism in their municipalities is underdeveloped (mean 1.91); respondents with a university degree with a score mean 1.85. College educated (mean 2) and respondents with primary education (mean 2), the opinion that tourism in their municipalities cannot get developed.

The extent to which tourism development presents an opportunity for the municipalities in the results of analysis, where it is noticed: high school education: mean 1.19, a high school degree: mean 1.31, college educated: mean 2, and primary schools: mean 2 reveals important differences respondents to the educational structure. The respondents with secondary education believe that the development of tourism municipalities generates new jobs, thus improving the quality of life (mean 2.54), while those with a high school with the understanding of the development of tourism think the people would have a better standard of living (mean 2.92). College-educated respondents emphasize that the development of tourism would get people new jobs (mean 2.43). Local people with primary school point out that the development of tourism would only get new jobs (mean 2.08).

Table 7: *Descriptive analysis of issues by city*

Municipality		Is tourism sufficiently developed in your municipality?	Is a development opportunity?	Would the municipalities welcome the development of tourism?
Bečej	Mean	2.00	1.48	2.88
	Std. Deviation	.000	.510	1.301
Beočin	Mean	1.88	1.00	2.28
	Std. Deviation	.332	.000	1.208
Bačka Palanka	Mean	2.00	1.40	2.52
	Std. Deviation	.000	.500	1.295
Bački Petrovac	Mean	1.88	1.08	2.56
	Std. Deviation	.332	.277	1.261
Vrbas	Mean	1.78	1.00	2.33

	Std. Deviation	.428	.000	1.328
Total	Mean	1.92	1.20	2.53
	Std. Deviation	.280	.404	1.272

Source: *Authors' research*

Residents of Bečej (mean 2) and Bačka Palanka (mean 2) consider tourism to be at the lowest level of development. Respondents in the municipalities of Beočin (mean 1.88), Bački Petrovac (mean 1.88), and Vrbas (mean 1.78) find that it is poorly developed. Residents of Bačka Palanka (mean 1.40) and Bečej (mean 1.48) are not confident in the tourism development opportunity for the municipality. Unlike them, the residents of other municipalities consider that tourism is certainly a development opportunity for their municipalities (Beočin: mean 1.00, Bački Petrovac: mean 1.08, Vrbas: mean 1.00). The development of tourism improves the quality of life (Bečej: mean 2.88), jobs (Beočin: mean 28.2; Vrbas: mean 2.33), and both, as reported by subjects in Bačka Palanka (mean 2.52), and Bački Petrovac (mean 2.56).

Analyzing the respondents of both gender, education, age and the municipality itself, we came to the following common conclusions. Respondents believe that tourism in their municipalities is underdeveloped (mean 1.92). The survey found that tourism represents a development opportunity for those municipalities (mean 1.20), determined to develop tourism came to the opening of new jobs, which would result in improving the quality of life (mean 2.53).

Table 8: *Pearson Correlation*

		Is tourism sufficiently developed in your municipality ?	Is a development opportunity ?	Would the municipalities welcome the development of tourism ?
Gender	Pearson C.	-.143	.228	-.138
	Sig. (2- tailed)	.123	.013	.137
	N	118	118	118
Age	Pearson C.	.066	.031	-.067
	Sig. (2- tailed)	.475	.735	.469
	N	118	118	118
Education	Pearson C.	.108	.012	-.090
	Sig. (2- tailed)	.245	.898	.331
	N	118	118	118
Municipal- ities	Pearson C.	-.205	-.295	-.086
	Sig. (2- tailed)	.026	.001	.352
	N	118	118	118

Source: *Authors' research*

Based on the results a correlation between the answers and the questions of gender, age, education and place of residence was obtained. Results in relation to gender structure: it was found that half of the respondents have very little influence on the answers, indicating a low value of the Pearson coefficient ($0 < 0.3$) amounting respectively matters after 0.143, 0.228, 0.138. The analysis of the data structure according to the age shows that age of the respondents has a very small effect on the answers, which shows a low value of the Pearson coefficient ($0 < 0.3$) which is in turn issues 0.066, 0.031, 0.067.

Differences were further determined: qualifications of the subjects have very little effect on the answers, which shows a low value of the Pearson coefficient ($0 < 0.3$) which is in turn issues 0.108, 0.012, 0.090. As for the analyzes of the responses according to the place of respondents, it was found that the dwelling of the subjects has very little effect on the answers, which shows a low value of the Pearson coefficient ($0 < 0.3$) which is in turn issues 0.026, 0.295, 0.086. The perception of the local population about the development of tourism, its benefits and the chance it provides, generally does not depend on the structure of the given population. Based on the overall analysis of the obtained results, the polar hypothesis confirms that: The local population supports the development of tourism and believes that tourism has positive implications for the overall economic development in the municipalities of the South Bačka District.

Conclusion

Tourism is an important component of the national economy. The link between tourism and other branches of the economy impedes precise quantification of the economic importance of this sector. The fact is that tourism has a direct and indirect impact on the GDP, on employment, job creation, and the increase in living standards. Considering the existing potential, the South Bačka District can have an enviable position on the tourism market, but this position has not yet been achieved, as the previous level of development shows.

For the sake of faster and better positioning of the South Bačka District, as a tourist destination, and in order to more fully valorize available resources, the following phases should be considered: more complete use of existing and potential tourist resources and material bases, defining the mission, goals, vision and direction of future development, access to the

application of modern concepts in the field of management and marketing, profiling new tourist products, development and improvement of infrastructure, encouraging investment activities, stimulating the sale of domestic products, and entering the international tourism market, conducting stimulative fiscal policy, working on measures to improve organization in the business of tourism companies, establishing better conditions in the overall economic system and measures of economic policy, which will influence the expansion of tourism development with its measures. All levels of decision-making will show the need for restrictive measures, and thus establish better cooperation between the public and the cooperation of tourism and all other parts of the economy (Petrovic et al., 2017). One of the main factors influencing tourism under the state's auspices is to stimulate employment, job creation. Tourism enables direct and indirect employment, and due to the diversification of the tourist offer, there is a need for personnel with adequate competences. A large number of research deals with the impact of the local population in the development of the tourist industry, where perception can be divided into positive and negative categories. Among the positive impacts is the belief that tourism can provide economic benefits for local people and small businesses, create job opportunities, increase living standards, provide more parks and recreational areas. Hung et al. (2011) points out that tourism promotes local arts and crafts and to improve public services. In his study, Zhang et al. (2013) considers the impact of tourism on the catalyst for the development of local culture. Due to the increase in the number of arrivals, the introduction of these protective measures is not sufficient for the conservation of nature. Community support for tourism development is required in achieving the commercial, socio-cultural, physiological, political and economic viability of the industry, and is therefore considered that the local population represents the key factor in the development plan of tourism specific locations (Mason et al., 2000). Moreover, there are the negative impacts of tourism on the local community as it is created by taking a sense of their own space and hostility towards tourists in their own environment. The perception of the local population about the real benefits of tourism to the local community, and finally a real change in the quality of life of local residents will determine the level of acceptance of tourism as a way of doing business and the level of involvement of local people in development and management of tourism content.

Interested in a number of studies on the perception of the local population, the authors of the paper conducted a research on the topic in

the area South Bačka District, in the period from April to June 2018. Given that all municipalities were with very few tourism developments during the year, the hypothesis was confirmed at the outset. Descriptive and correlation analysis provides the suitable answer to the authors, which may be crucial for the further planning of the development of this activity in the investigated areas. Descriptive analysis showed small differences in the perception of the local population for some segments that are being investigated. Pearson Correlation determines that any structure that has entered the system research has a significant impact on the answers related to the level of development of tourism, which brings chances and benefit from the development of the tourist industry. The local population believes that tourism is an opportunity for development and to contribute to the benefits of development. Also, applying the same correlation model, the authors found that not dividing respondents by municipalities or housing research makes significant differences in the perception of respondents.

Limitations and future research

The research conducted by the authors of the work has encountered serious difficulties from the very beginning. Municipalities that have been investigated are mostly places with a very small population, but other than that they do not belong to the category of cities, only municipalities. A large number of youth and the rest of the population tends to migrate to large cities with the aim of finding a job. The situation in the country is characterized as very bad, because unemployment is above every level. In such places the elderly population remains, while the younger go to the big cities.

Another limiting factor is the small number of tourists, so that tourism in these places is not designated as a mass phenomenon that in general has a bad influence on the local population and environment. The involvement of the majority of stakeholders in tourism development is at a low level, so this industry has great support for a greater development. Therefore, research in these areas was difficult. The South Bačka District is a part of Serbia and this research is surely only one segment of future research related to the same subject, but in the entire state. The research efforts and higher interest will surely encourage both the institutions and the state to invest more in the evaluation of resources, so that the tourist industry can aim high in the near future.

References

1. Abolins J., Gravitis J. (2007). Biomass conversion to transportation fuels, combustibles, and nano-materials by steam explosion. *Latvian Journal of Physics and Technical Sciences*, Vol. 4, 29-39.
2. Abolins J., Tupciauskas R., Veveris A., Alksnis B., Gravitis J. (2008). Effects of Steam Exploded Lignin on Environmentally Benign Hot-Pressed Alder Boards. *The 7th International Conference on Environmental Engineering, Selected Papers*, Vol. 1, Cygas D., Froehner K.D. (Eds.), Vilnius Gediminas Technical University Press Technika, 1-7.
3. Aas C., Ladkin A., Fletcher J. (2005). Stakeholder collaboration and heritage management. *Annals of Tourism Research*, Vol. 32, No. 1, 28-48.
4. Breugel V. L. (2013). *Community-based tourism: Local participation and perceived impacts: a comparative study between two communities in Thailand*. Radboud University Nijmegen.
5. Chen F., Tian L. (2015). Comparative study on residents' perceptions of follow-up impacts of the 2008 Olympics. *Tourism Management*, Vol. 51, 263-281.
6. Cvijanović, D., Stefanović, V. (2018). Theoretical aspects of medium-term conditions of economic and tourism development. *3rd International Scientific Conference TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA – Tourism in the Era of Digital Transformation*, University of Kragujevac, Faculty of hotel management and tourism in Vrnjačka Banja, Vrnjačka Banja, Serbia, 63-80.
7. Cvijanović, D., Gajić, T. (2018). Analysis and evaluation of the basic indicators of the quality of services in the rural areas of Serbia. *MEFkon 2018 INNOVATION AS AN INITIATOR OF THE DEVELOPMENT "INNOVATIONS – BASIS FOR DEVELOPMENT"*, University Business Academy in Novi Sad, Faculty of Applied Management, Economy and Finance Belgrade, December 6th Belgrade, 2018, 392-409.
8. Gajić, T. (2010). Tourism in the function of intensification receptive and emissive regions – example of South Backa region. *Industry*, Vol. 38, No. 3, 139-154.

9. Gajić, T., Vujko, A. (2018). Parameters of tourist development of Serbia on the world tourist market. *The Third International Scientific Conference: 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*. University of Kragujevac, Faculty of hotel management and tourism in Vrnjačka Banja, Vol 3., 222-237.
10. Gajić, T., Vujko, A., Petrović, M.D; Mrkša, M., Penić, M. (2018). Examination of regional disparity in the level of tourist offer in rural clusters of Serbia. *Economic of agriculture-Ekonomika poljoprivrede*, Vol. 65, No. 3, 911-929.
11. Gursoy D., Jurowski C., Uysal M. (2002). Resident attitudes. A structural modeling approach. *Annals of Tourism Research*, Vol. 29, No. 1, 79-105.
12. Hung K., Sirakaya-Turk E., Ingram L.J. (2011). Testing the efficacy of an integrative model for community participation. *Journal of Travel Research*, Vol. 50, No. 3, 276-288.
13. Kim K., Uysal M., Sirgy M. (2013). How does tourism in a community impact the quality of life of community residents? *Tourism Management*, Vol. 36, 527-540.
14. Mason P., Cheyne J. (2000). Residents attitudes to proposed tourism development. *Annals of Tourism Research*, Vol. 27, No. 2, 391-411.
15. Marzuki A., Hay I., James J. (2012). Public participation shortcomings in tourism planning: The case of the Langkawi Islands, Malaysia. *Journal of Sustainable Tourism*, Vol. 20, No. 4, 585-602.
16. Nunkoo R., Gursoy, D. (2012). Residents' support for tourism an identity perspective, *Annals of Tourism Research*, Vol. 39, No. 1, 243-268.
17. Petrovic M., Blesic I., Vujko A., Gajic T. (2017). The role of agrotourism impact in local community in a transition society – a report from Serbia. *Transylvanian Review of Administrative Sciences*, Vol.50, No.1, 146-163.

18. Prayag G., Hosany S., Nunkoo R., Alders T. (2013). London residents' support for the 2012 Olympic games: the mediating effect of overall attitude. *Tourism Management*, Vol. 36, 629-640.
19. Sharpley R. (2014). Host perceptions of tourism: A review of the research. *Tourism Management*, Vol. 42, 37-49.
20. Sheldon P.J., Abenoja T. (2001). Resident attitudes in a mature destination: the case of Waikiki. *Tourism Management*, Vol. 22, 435-443.
21. Teye V., Sonmez S.F., Sirakaya E. (2002). Residents' attitudes toward tourism development, *Annals of Tourism Research*, Vol. 29, No. 3, 668-688.
22. Tosun C. (2006). Expected nature of community participation in tourism development. *Tourism Management*, Vol. 27, No. 3, 493-504.
23. Vargas A., Oom do Valle P., Da Costa J., Albino S. (2015). Residents' attitude and level of destination development: an international comparison. *Tourism Management*, Vol. 48, No. 3, 199-210.
24. Vujko A., Gajic T. (2014). Opportunities for tourism development and cooperation in the region by improving quality supply – The Cycle Danube Route - Case study. *Economic Research*, Vol. 27, No. 1, 847-860.
25. Wang S., Xu H. (2015). Influence of place-based senses of distinctiveness, continuity, self-esteem and self-efficacy on residents' attitudes toward tourism. *Tourism Management*, Vol. 47, 241-250.
26. Zhang Y., Cole S.T., Chancellor C.H. (2013). Residents' preferences for involvement in tourism development and influences from individual profiles. *Tourism Planning & Development*, Vol. 10, No. 3, 267-284.

**PLANNING MARKETING COMMUNICATION INSTRUMENTS
AS A PRIORITOR OF EFFECTIVENESS FOR TOURISM
(TOURIST) DESTINATIONS**

Ana Langović-Milićević¹; Milica Kostić-Stanković²;

Abstract

A modern business environment is characterized by intensified market competition in the profit organizations. The same principle applies to the competitive position of tourist destinations, therefore their branding has become a key interest of both tourism organizations and competent state institutions. This paper represents the role of marketing communication as a predictor of the success of branding destinations. The aim of this paper is to gain insight into the methods of improving the competitive position of destinations and improving their image. Also, the paper presents terminological explanations of marketing activities, providing guidance for their implementation and practical operation. By mastering the presented concept, its characteristics and role, significant steps can be taken in improving the existing situation and assisting the development of tourism in Serbia. The paper also presents concrete guidelines for action in practice, which should be managed by competent institutions and tourist organizations in order to achieve better positioning results. The application of the case study methodology is highlighted in illustrating the manifest affirmations of individual instruments and strategies of marketing communication in tourism.

Key Words: *marketing strategy, marketing communication instruments, branding, competitive position, tourist destinations*

JEL classification: M3

¹ Ana Langović-Milićević, PhD, Full professor, Faculty of Hotel Management and Tourism, University of Kragujevac, Vojvodjanska bb, Vrnjačka Banja, phone: 036/515-00-24, e-mail: ana.langovic@kg.ac.rs

² Milica Kostić-Stanković, PhD, Full professor, Faculty of Organizational Sciences, Jove Ilića 154, Belgrade, phone: 069/88-933-93, e-mail: milica.kostic-stankovic@fon.bg.ac.rs

Introduction

Tourism represents one of the key factors for the development of tourist destinations, countries and the economy at global level. After the oil and automotive industry, the activities of the tourism industry are the leading branches of the world economy. Marketing in the field of tourism means activities that are carried out in order to promote localities, cities, regions or entire countries with the aim of encouraging development, positioning in the consciousness of the general public, attracting visitors and creating new business opportunities. The concept of destination marketing indicates that, as a result of global, political and economic changes, it faces numerous challenges, such as resource scarcity, rising competition, technological change, greater sophistication and the evolution of tourist needs, globalization, and more. Planning and implementation of marketing communication strategies allows destinations to respond to the various changes they face, to create an attractive offer and position themselves in relation to the competition by highlighting their key benefits. The process of positioning the destination itself aims at creating the identity and image of the destination, highlighting those characteristics that represent its essence and increasing its attractiveness for the target group. In Serbia, the need for marketing tourism is evident, given to its potential. In Europe, the trend of tourism development moves towards the modern concept of health tourism, which, in addition to the medical component, includes other components such as: wellness, sports, recreation, entertainment, healthy eating, etc., which can attract not only people with health problems and health insurance pays for treatment / rehabilitation and hospitality stay, but also those who are aware that it is necessary for their own health and they are willing to finance their holidays in spa and climatic cites or destinations of health tourism. This tourist category has the preconditions for expansionary growth in the next 10 years, thanks to the number of spas and the quality of the water on which they are built, Serbia has great potential in this respect. The precondition for this is an adequate segmentation of the market and creation of products that are tailored to the requirements of certain categories of tourists. It is also necessary to monitor global trends and engage experts in order to create a unique tourist product. In order to improve the tourist performance of destinations, it is necessary to apply the activities of modern marketing communication and to choose the most adequate communication tools for this purpose. Therefore, the possibilities of marketing communication implementation tools in strategies for branding destinations with the aim of improving their image

and attracting tourists are discussed below. The recommendations and conclusions presented in this paper can be used to improve the competitiveness of tourist destinations in Serbia.

Factors that influence the effectiveness of branding a tourist destination

The most important factors influencing the development of a particular destination include: public perception, its positioning, differentiation and characteristics in relation to a similar destination. The destination perception includes a set of visual or mental impressions, ideas and beliefs that one has when it comes to a particular destination. The image that a tourist has about the destination plays an important role in their selection of the same and different from other tourist destinations and therefore are an integral part of the decision-making process. The destination perception has two components: organic and induced. Organic is formed on the basis of personal experience or other experiences or through information obtained from objective sources, such as: news, reportage, newspaper articles, documentary programs or books. An induced component is created based on received information from external sources such as advertising messages through various media or promotional campaigns. This component can be influenced by the planning and implementation of marketing communication strategies targeted at the target groups.

Marketing communication can significantly contribute to improving the competitiveness of the destination by positioning it in the awareness of the target groups. Positioning involves the development and improvement of the possibilities of tourist services provided within the specific tourist destination, in order to achieve high quality and satisfaction of visitors. The strategic goal is to position the destination, even the whole country, in international investment, political, cultural and tourist circles. Destination positioning can be achieved through one of the following approaches:

- Price leadership, meaning the control and reduction of prices while maintaining a certain level of quality;
- Focusing on a specific area of activities (local tourism and the development of adequate support content);
- Providing unique products, services and experiences that are different from the competition.

Differentiation of the destination implies the possibility for potential and current visitors to distinguish the destination from other competing destinations (Cvetkovski & Langović Milićević, 2018). It can be based on individual destination characteristics or on the overall image. In this context, as a focus of marketing communication, the precise characteristics of a destination should be placed, which can lead to its easier differentiation, whether it is a specific climate, natural resources, cultural and entertainment content, tradition and history, a unique plant or animal world, etc. Practice has shown that attractiveness and competitive advantages attract more tourists, increase the demand for products and services in the value chain and the volume of investments and consequently contribute to the increase in the living standard of the local population (Langović Milićević & Ognjanović, 2017).

The destination differentiation key is in the application of the so-called "a unique destination argument that contains a certain value for potential or existing visitors" (Qu et al., 2011). At the time of the expansion of a large number of new destinations, it is no longer sufficient to base its position on physical characteristics (climate, geographical location, natural resources, services, and infrastructure) in order to present the destination as a specific one and to position it accordingly. The focus is on focusing on one competitive advantage and its intensive promotion (Langović Milićević & Ognjanović, 2017). The unique destination argument is based on the essential and true values of the destination on the basis of which, for the purpose of positioning the tourist market must create an advantage that must be real, original and simple to communicate (for example, the unique argument of Egypt is the pyramid, seeing nowhere else in the world; Jerusalem is the main and unique in many ways a religious place of worship). If a destination can not establish a unique destination proposal on this basis, there is a possibility of grouping several related characteristics in order to create a special destination proposal (for example, Europe is unique in country dance of royal families).

In a large number of cases, under the influence of numerous market factors and a large number of competing destinations, there are not enough strong bases for differentiating tourist destinations on the basis of comparative advantages, so decisions regarding travel are increasingly encouraged by the emotional reasons of individuals, that are related to positive feelings in relation to the destination and its values (Langović Milićević & Ognjanović, 2017). The basis for the formulation and implementation of the concept of a unique emotional argument based on

the fact that emotions that distinguish tourism experiences represent a true benefit to tourists and are directly related to the positioning of the destination (for example, a trip to Paris connects a large number of tourists with love and romance). In this case, a single proposal represents an emotional "trigger", something that only a given destination has to offer in the right way and thus gives the desired emotional event to tourists (Campelo et al., 2014).

Planning marketing communication instruments for branding a tourist destination

Integrated marketing communications represent a concept that carefully integrates and coordinates a number of communication tools to deliver a clear, consistent and appealing message of destination and products and services that are integral part of it. Using an optimal combination of instruments, clarity, consistency and maximum communication impact are achieved in order to position the destination in the consciousness of a wide audience (Kostić-Stanković et al., 2013). The specificity of the tourist offer influences the program of communication and the selection of adequate instruments.

The characteristics that the destination possesses which can be the basis for the development of marketing communication programs can be classified into the following groups (Wagner & Peters, 2009):

- **Elements of destination identity:** the name, symbol, logo, mascot or their combination, which are only specific to a particular destination and are clearly determined (Eiffel Tower is a symbol of Paris; New York Statue of Liberty; a kangaroo is a mascot of Australia, etc.)
- **Unique appearance** when it comes to architecture and decorating public spaces that are consistently used (Renaissance style of construction in Italy, Mediterranean style in Greece, etc.)
- **Natural resources** (pastures on the slopes of the Alps, the Great Canyon in America, Niagara Falls)
- **Socio-cultural elements:** way of life, culture and language of the population, local cuisine, folklore, tradition, historical sites (Cubans are known for the hospitality and spiritual values that nourish, the Germans in discipline and restraint, the Japanese for cultivating tradition and specific cuisine)

Although different communication techniques are applied in relation to different target groups (tourists, investors, potential new residents), the

value of the destination itself and all that it represents should remain consistent and carry a unique message. The values to be promoted are the following (Cvetkovski & Langović Milićević, 2018):

- **Functionality** - For example, most tourists choose the coast as a summer destination, not a mountain or city, because they have functional characteristics such as the sea and beaches. Functionality presents various visible advantages, such as, for example, employment, industry, public transport, recreational activities and attractions.
- **Added value** - in the form of a diversity of content that the destination provides: cultural and historical sights, museums, theaters, restaurants, attractions, nightlife, etc.
- **The importance of the destination** - San Francisco, for example, represents the city of industry and technology. New York, on the other hand, is distinguished not only by its cultural offer, but also as a world financial center because it includes Wall Street, the New York Stock Exchange and the offices of international financial institutions.
- **Destruction of the destination** - location, physical characteristics, construction style, arrangement of public surfaces, cleanliness, etc.

In the case of branding a tourist organizations, advertising, sales improvement and market relations with the public are particularly effective as marketing instruments. When it comes to advertising tourist destinations, the most common and most effective strategy is a combination of information and emotions in order to achieve the goal of advertising in a secure way and to create a link between destinations and its characteristics in the consciousness of audiences. Advertising planning involves making a decision about the form in which advertising will be, or whether it will contain images, written messages, mental associations, themes, information, etc. It is necessary to set concrete, measurable, feasible, realistic and time-specific advertising goals for better controlling the effects achieved and possible corrections during the campaign (Maričić & Kostić-Stanković, 2018).

Topics on which advertising messages should be based when it comes to destination promotion (Cvetkovski & Langović Milićević, 2018):

- **Realizing relations and inner relationships** - messages emphasize the possibility of creating relationships between visitors and destinations. This is achieved through the use of terms such as "home", "belonging", "family" in order to develop a deeper emotional response. The messages of this type emphasize the security and the

possibility of meeting with the like-minded people and this creates a sense of involvement in a particular group. Advertising messages often show pictures of couples or parents with children who enjoy a shared vacation. This type of message also includes food and drink images, which emphasizes the "host" atmosphere and the social nature of catering services and provides the conviction that basic human needs will be met.

- **Adventure / escape from everyday life** - The emphasis is on traveling and staying away from the usual places and people or highlighting the possibility of experiencing an unforgettable adventure. This type of message contains pictures such as: lying on the beach, relaxing at the spa, as well as adventure activities such as hiking, diving, cruising, etc. These messages often contain associations to "escape" from routines that play a major role in marketing communication in tourism and hospitality. These types of messages involve the "persuasion" approach to certain benefits and encouraging deeply rooted motives and beliefs about the value of acquiring new experiences.
- **Safe variant** - these types of messages refer to the importance of advice and recommendations of influential personalities in the decision-making process. These types of messages are based on the fact that many tourists have limited time to explore options and consider alternatives that are almost endless. These messages are mostly transmitted by travel agents, chains of famous hotels or restaurants, public figures and the like.
- **Desires / aspirations** - this type of message is based on a psychological postulate that luxury, discretionary spending items are deeply linked to the sense of identity and self-actualization. The messages emphasize the phrases "once in a lifetime", "deepest desires" or "eternal memory" to justify the high financial investment that these tourist offers usually imply. This topic is suitable for the offer of marital travel arrangements, traveling to exotic destinations and staying in luxury hotels.
- **Favorable price** - messages include emphasizing a special price (with certain discounts) or low cost of travel or accommodation. This type of message is used to encourage members of the target audience to immediately respond to direct stimulation, increase demand during the off-season, and so on.

A special type of advertising destination is Internet advertising that is becoming an increasingly important tool of marketing communication of

tourist destinations. Communication via Internet offers destinations the opportunity to present and promote via their website or some of the social networks or blogs. Today, for example, Facebook can find a profile page for almost every city in the world. The greatest benefits from social networks are increasing visibility and impact on reputation. Social networks are actually turning into a customer service, or a place where users can search, make a complaint and get all the necessary information about a particular destination. The main advantages that the Internet offers for a single destination include:

- Increase in the volume of work for destinations and local tourist agencies and catering facilities;
- Generating revenue through online reservations and other services thereby avoiding intermediary channels;
- Improving communication and relationships with individuals and target groups;
- Reduction of costs associated with printing, posting and distribution of leaflets, as well as lease of media space;
- Creating a good public presentation of destination and more.

Sales promotion methods can add some extra values that draw attention to the offer, which has something different and more interesting than a competitive one. The promotion of sales in tourism contains the following activities:

- Using price incentives to encourage tourists to choose a specific destination (lowering prices at the end of the season, discounts on family or group trips)
- Added value (when you can get free sightseeing with the main arrangement)
- Activities directed towards intermediaries and employees in order to achieve greater motivation (bonuses, free travel)

Sales promotion activities can be targeted at two target groups (Camilieri, 2018):

- According to visitors:
- Sales promotions aimed at visitors include: coupons, discounts, competitions, prize games, gift vouchers for booking hotel rooms and the purchase of products, etc. These include t-shirts with destination tags, pens, calendars, blocks, local food tasting, souvenirs, and so on.
- According to tourist organizations and catering facilities:

- In maintaining good business relationships with organizations and individuals who mediate between destination and potential visitors, it is possible to use the following activities: regular meetings with intermediaries, continuous brochures, catalogs and other promotional materials related to the destination, training programs, special courses, etc.

In such cyclical activities such as tourism, sales promotion can be a positive and regular aspect of doing business. Businesses in this sector rely on rising and falling demand during the year and accordingly activate different marketing activities. High revenues during the season mitigate the cost of trying to achieve a distributed demand cycle throughout the year. Costs of off-season employees can often not be covered, taking into account the relative decline in demand, together with other fixed and variable costs of discount development, advertising of these discounts and more, so it is necessary to perform a differentiation and diversification of the offer.

An example of successful implementation of sales promotion activities in the case of tourist destinations is the Priority Club Awards program. It is the largest and most widespread loyalty program of the hotel chain InterContinental. This program has 48 million members worldwide, and 300.000 new members are joining each month. In fact, 32% of the nights in this hotel chain are globally achieved by members of the Priority Club. This program is designed to reward guests for their loyalty by offering them a wide range of benefits, among which is the collection of points for free nights in one of the hotels in this chain or free airline tickets to different destinations in cooperation with over 40 airlines in the world. The program has three levels, and various discounts and benefits are obtained depending on the level itself. Points collected can be used by members at any time in any hotel in the chain.

Public market relations are planned to establish and maintain good will and mutual understanding between the organization and its target public (Kostić-Stanković et al., 2013). Market relations with the public of a destination as a primary task have the construction of a positive image of this destination. Some of the additional tasks of market relations with the public are:

- Providing positive publicity and space in the media by placing information that would be of interest to representatives of print and electronic media, as well as to the general public. The techniques one

destination can use to achieve this include press releases, themed articles, photos (these are mainly photographs of the destination itself and its advantages and what makes it special), tourist films (these may be documentaries about a destination or someone event related to the destination, or a presentation of the destination presented through the film).

- Creation of sales brochures, brochures, posters and postcards that contain the basic presentation of the destination and the offer of products and services that are related to it. Brochures have always been a vital means of communication in tourism as a source of information and assistance to tourists in making travel decisions. Brochures traditionally help to overcome the problems of the inviolability of travel services and enable the sending of effective destination messages in a portable format. Brochures must not be generalized and must accurately present a specific destination using a standard combination of images and text.
- Sponsoring an event or maintaining it on a particular destination. Four basic forms of sponsorship that can be used for this purpose: sponsorship of sports events, sponsorship of radio and TV programs, sponsorship of cultural events and sponsorship of business events. Sponsorship has a predisposition to attract the attention of a larger group of visitors, as well as media attention.

Organizing and participating in special events such as workshops, exhibitions and fairs, which become an increasingly important element of the marketing communication program in tourism. The main objectives of participation at fairs are: promotion of insufficiently known destinations; creating new contacts in order to develop cooperation with tourist organizations, associations and agencies; getting acquainted with the development program of competitive destinations and getting to know new trends in the market (Langović Milićević & Ognjanović, 2017).

Fairs can be the starting point for realizing relationships with potential visitors because more and more individuals are visiting events of this type (Vukmirović et al., 2017). Tourism organization "Zlatibor" presents the tourist offer of Zlatibor at a number of fairs: Tourism Fair in Belgrade, International Tourism Fair in Novi Sad, Tourism Fair in Nis and Kragujevac, International Brčko Tourism Fair, as well as Tourism Fair in London. At the fair of tourism in Belgrade was presented as a part of the region of Western Serbia and this successfully presented all natural and cultural beauties of the Zlatibor region. The tourist organization

"Zlatibor" presented the total offer of the tourist destination together with the Zlatibor hoteliers, who presented the fair discounts on accommodation services.

Active tourism was promoted at the stand of tourist organization "Zlatibor", and all visitors received all necessary information, redesigned catalogs, publications, and prices for the upcoming season. A special emphasis of this performance was on the gastronomic offer of the Zlatibor region, and for that occasion they provided a gastronomic counter with traditional products: dried raspberry products, forest blueberries, black currants, cherries and plums, homemade brandy and jelly, prepared directly at the stand, and the visitors had the opportunity to taste authentic dishes from the Zlatibor region. The fair was broadcast by a large number of media. A lot of reports and recordings from various presentations, concerts and lectures were made. During the fair, a stand was visited by a large number of guests from abroad, who became acquainted with the tourist offer of Zlatibor.

Tourist center Kopaonik performed at the International Tourism Fair in Novi Sad within the framework of the stand of the Tourist and Sports Organization "Raška". The main goal was to promote the winter tourist season at Kopaonik. This was an opportunity to present Kopaonik in the right way to a wider population. Kopaonik Tourism Center has received the award for the best tourist center in the region. At the International Tourism Fair in Belgrade, Kopaonik presented its summer tourism offer. Activities at the fair were focused on promotion of summer and autumn holidays at Kopaonik, as well as negotiations with business partners. Complete tour arrangements were presented, as well as summer camps that will be held on this mountain - basketball and tennis camp, as well as the camp of English language and discounts for the visitors of the fair.

National Park Tara performed at the International Tourism Fair in Novi Sad, at a joint stand of the national parks of Serbia. The visitors had the opportunity to get acquainted with the news, tourist offers and various educational programs within the protected area of Tara through the promotional material. The stand was visited by many journalists, as well as representatives of the republic authorities, representatives of ecological societies and educational institutions. The national park stand won a design award. The natural beauties of the National Park were interesting to individual visitors, as well as to associations that through excursions and hiking tours wanted to get to know this mountain. National Park Tara

also took part in the Plum Fair in Osečina, where besides the potential of this protected area, also presented brandy products from the Bajina Basta.

Tourist stocks are also significant for the presentation of one destination. The most famous tourist exchanges are in Berlin and London, where tourist products are sold in many countries. The World Travel Market is being held in London. This event is the world's leading event and the tourism industry. At this very important event, destinations all around the world are presented and have the possibility to create a unique opportunity for people from the tourism industry around the world to meet in one place, to do business and to cooperate (Garcia et al., 2012).

In communication with the target groups of one destination, the projection assets, which include tourist films, are very important. Tourist film is the most widespread and most important mean of tourist promotion. These include documentaries about a destination or an event related to that area or a presentation of the destination presented through the film. It consists of visual and audio elements. It can take about 15 minutes, although movies aimed at promoting destinations are often longer. Tourist films offer unique opportunities for influencing the target audience (Vukić et al., 2015).

For example, on the website of the Tara National Park there are several different tourist films through which the general public can get acquainted with this destination and its attractive locations (National park Tara, 2019). Promotional film of the Tourist Organization of Serbia "Soulfood Serbia - Food with Soul", which lasts 12 minutes, was named the best Serbian tourist film. "Soulfood Serbia" was also the name of the TOS marketing campaign for 2012, which has the main theme of gastronomy, which is an important part of Serbia's tourist offer. This campaign promotes authentic gastronomic products of Serbia, with a special accent on those who have or have yet to get a label of protected geographical origin.

The role of modern technologies in creating marketing communications in tourism

One of the major changes in tourism created by the use of modern marketing technologies is bypassing the intermediaries, which significantly increased the revenues of direct service providers. This is particularly important for small and medium-sized enterprises. On the one

hand, there are a number of large companies in the tourism industry (large multinational airlines, tour operators, hotel chains and theme parks), but there are also many other companies dealing with retail arrangement, hotel management or catering for which the Internet is very practical for sales promotion. The Internet opens up the possibility for small and medium-sized enterprises to reach the world market with a relative small investment, although more investment is needed for the application and development of marketing in this context (Vukić et al., 2015).

Electronic distribution systems have increased competitiveness and productivity by automating processes and integrating new systems in order to improve business functions and reduce operational costs. So called CRS (customer reservation systems), established by airline companies and GDS (global distribution system) such as Amadeus, Galileo, Saber and Worldspan, have included sales channels Expedia, Travelocity and Orbitz in their business. The development of Global Distribution System (GDS), which initially served the airline industry, and later expanded and encompassed sectors such as hotels and other tourist services, made the travel industry global, as travel agents could sell their capacities electronically, in real time, everywhere in the world. This revolution of the relationship between companies was soon completed with the use of the Internet, which enabled users to do the same directly with the providers of passenger services. The requirement for a good positioning of a tourist organization or institution is to apply to search engines. Search engines are among the most visited web sites on the Internet and to be seen on one of them can represent a good marketing. Search engines are the key interface through which users access the entire Internet.

The application of modern instruments and technologies in tourism marketing offers significant advantages over traditional ways of communication: reducing information exchange costs, increasing data transfer rates, increasing user participation in the transaction process, increasing the flexibility of marketing mixes, significantly shortening the research and service development process, increasing customer satisfaction users, reducing transaction costs, reducing promotional costs and faster delivery. The use of the Internet as a medium has become an essential element of marketing planning in tourism. By denying Internet communications, one tourist destination can be considered as least unprofessional, which significantly jeopardizes its image, and thus the realization of profits. The reason for the necessity of adopting modern

technologies in tourism is based on facts from the environment, of which some are:

- The Internet is a medium that gets more and more users every day;
- The application of the Internet is particularly advantageous in the service sector;
- The world has great influence on the directions of tourism development;
- Tourism is a growing industry in the world, requiring the use of modern technologies;
- An increasing number of users of tourist services rely on the benefits of online tourism, which has a major impact on the way business operates in this industry;

The significance and role of the application of Internet technology in tourism can be illustrated by the example of the Reservation System VisitSerbia.org, which started in 2005 and which offered to the destinations and hotels free entry into the system, online presence. This system has enabled hotels to determine the conditions under which customers can reserve accommodation as well as payment methods. In this way, an equal race is created to attract the attention of potential guests among the old and new objects that appear on the market. This is especially important for new small private guesthouses and hotels that can equally be able to compete with larger hotel chains and hotels with tradition in this way. Increased transparency increases price comparability, so tourism facilities have the ability to quickly and easily adjust prices in relation to competition, demand, events, and so on. The VisitSerbia booking system allows you to create specific package arrangements by the hotel, providing additional services through the price rooms (such as weekend packages which also offer sightseeing and excursion services, etc.). Facilities offering such a special offers are specifically marked in the system and thus further promoted on the results search. In addition to the reservation system VisitSerbia.org is an important tourist portal that provides information about destinations in Serbia. While global reservation systems are mainly of interest in the positioning of destinations and big cities, the orientation of VisitSerbia.org is also towards smaller facilities and smaller towns in Serbia. VisitSerbia.org has paid advertising campaigns on Google, whose budget ranges between 500 and 1000 euro per month. What distinguishes the VisitSerbia site compared to competitive systems is the detailed knowledge of the promoted destination and the possibility of personal contact between the client and the operator (via telephone or Skype

account), which enables the conclusion that the destination and type of accommodation corresponds to the profile of the individual client, which enables better communication and realization of long-term relationships.

Application potential of Internet technology and social networks for branding a tourist destination

The presence of an organization on the Internet primarily involves the development of an appropriate website. A tourist website should not be a brochure or flyer that the organization has put on the Internet to inform potential tourists about the destination and the prices of tourist arrangements. The site should represent a complete presentation of a particular destination, provide relevant information and provide the opportunity to answer any question that a potential tourist poses about the destination, its offer and contents. A creative, well-designed and visited tourist site should contain the following elements (Chan & Marafa, 2018):

- Useful and up-to-date content;
- Possibility of contact;
- Event Calendar;
- Frequently asked questions;
- Virtual tours through the destination;
- Special discounts on tourist arrangements;
- Recommendations and advice;
- Publication of tourist articles and reports;
- Experiences of others;
- A part dedicated to the gastronomy characteristic of the destination;
- A part dedicated to the media;
- Research and surveys.

When it comes to the use of social media, it is necessary to know all the opportunities that they provide, monitor trends, constantly interact and create their own image on the Internet, based on the knowledge gathered. In order to keep this kind of presentation and communication as successful, it is necessary to maintain two-way communication, as well as to respect and accept the proposals and suggestions that come from the interlocutor. Extreme importance in establishing interactive communication is provided by tourist forums that offer the possibility of developing a general discussion of travel, destinations and experiences. In fact, by sharing a variety of content related to your own travel adventures as well as reading the experiences of others, forum visitors come to

important information that can help them make future decisions. The sites of many travel agencies or online reservation systems contain forums and image galleries that visitors place precisely for the purpose of promoting specific destinations or travel arrangements.

"Telekom Srbija", in cooperation with the Tourist Organization of Novi Sad, has presented a unique application for mobile phones "Novi Sad Talks", which offers an unusual city tour through the smart phone. By surfing the web and by launching a mobile application, city visitors can easily get to know and discover historical data or anecdotes about its sights in an easy and fun way. It's just enough that the camera of the mobile phone takes it to the nearest location and at the same time a series of short texts opens and begins audio narration. The free application is a personal guide to visit the most important city locations, offering a completely new perception of the city with the help of old photos, texts and audio recordings. This application represents the desire of the city administration to encourage the use of new technologies and modern city content and tourist offer of the city. The project is designed to encourage and encourage the local self-governments of other cities in Serbia to encourage and modernize local communities supply through the use of Internet and mobile communications and innovative solutions.

Conclusion

Based on the presented specifics for creating marketing communications for the needs of branding tourist destinations, the following factors are the key challenges of this process:

- Abstraction, or the difficulty in communication of common concepts in the field of tourism (eg "rest, recovery from stress and good sleep" is not something that can be guaranteed to visitors or presented in an adequate way);
- Difficulties in presenting differences between offers of similar destinations;
- Inability to give a guarantee that visitors will experience what they are looking for;
- Incompatibility of tourist services that result in the problem of visualizing promotional messages and therefore their understanding and proper interpretation.

According to the stated characteristics of the tourist destination branding process, it is necessary to provide an optimal mix of marketing

communication instruments so that the desired message can reach the members of the selected target in the right way and at the right time. Regardless of what the message has, it is necessary to include an element balance, a good structure, to be presented appropriately and credibly. Also, it is necessary to fulfill the condition of the authenticity of the message, which will then be consistently implemented through a series of activities planned within the destination branding strategy. Individual activities within the destination branding strategy should be mutually harmonized to form a single entity and to be continuously applied. In this way, a tourist destination can achieve recognition among increasingly intense competition in the market.

References

1. Camilieri, M.A. (2018). The Marketing Environment of Tourist Destination. The Branding of Tourist Destination: Theoretical and Empirical Insights. 1-14. Emerald Publishing Limited. ISBN: 978-1-78769-374-6.
2. Campelo, A., Aitken, R., Thyne, M., Gnoth, J. (2014). Sense of Place: The Importance for Destination Branding. Journal of Travel Research, Vol. 53, No. 2, 154-166. DOI: 10.1177/0047287513496474
3. Chan, C-S., Marafa, L.M. (2018). Branding Places and Tourist Destinations: A Conceptualisation and Review. The Branding of Tourist Destination: Theoretical and Empirical Insights. 15-42. ISBN: 978-1-78769-374-6.
4. Cvetkovski, T., Langović Milićević, A. (2018). Intercultural Communication and Understanding – Why and how to attract tourists from China? Thematic proceedings of 3rd International Scientific Conference: Tourism in Function of Development of the Republic of Serbia. 31 May - 2 June, 2018, Vrnjačka Banja, 238-256.
5. Garcia, J.A., Gomez, M., Molina, A. (2012). A destination-branding model: An empirical analysis based on stakeholders. Tourism Management, Vol. 33, No. 3. 646-661. DOI: 10.1016/j.tourman.2011.07.006.
6. Kostić-Stanković, M., Cvijović, J., Žarkić Joksimović, N. (2013). Internal Public Relations within Serbian Intellectual Diaspora. Actual Problems of Economics, 6/2013, 283-294, ISSN: 1993-6788.

7. Kostić-Stanković M, Makajić-Nikolić D, Martić, M. (2013). Optimization of University Promotion Plan. *Actual Problems of Economics*, No. 1 (139)/2013, 367-377, ISSN: 1993-6788.
8. Langović Milićević, A., Ognjanović, J. (2017). Innovative Activities as a Factor of Hotel Business Competitiveness. *Thematic proceedings of 2nd International Scientific Conference: Tourism in Function of Development of the Republic of Serbia*. 1-3 June, 2017, Vrnjačka Banja. 22-48.
9. Maričić, M, Kostić-Stanković, M. (2018). Conceptual model for exploring the recall and recognition of embedded advertisements of sponsors. *International Journal of Sports Marketing and Sponsorship (IJSMS-02-2018-0020)*.
10. National park Tara, <http://www.nptara.rs>, (24.02.2019.)
11. Vukić, M, Kuzmanović M, Kostić-Stanković, M. (2015). Understanding the heterogeneity of generation Y's preferences for travelling: a conjoint analysis approach. *International Journal of Tourism Research*, Vol. 17, No. 5, 482-491. DOI: 10.1002/jtr.2015, ISSN: 1522-1970.
12. Vukmirović, V., Petrović, D., Kostić-Stanković, M. (2017). Strategic management and its effects on Serbian wood industry, *Management. Journal of Sustainable Business and Management Solutions in Emerging Economies*, Vol. 22, No.3, 37-47.
13. Wagner, O., Peters, M. (2009). Can association methods reveal the effects of internal branding on tourism destination stakeholders? *Journal of Place Management and Development*, Vol. 2, No. 1. 52-69. DOI 10.1108/17538330910942807.
14. Qu, H., Hyunjung Kim, L., Hyunjung Im, H. (2011). A model of destination branding: Integrating the concepts of the branding and destination image. *Tourism Management*, Vol. 32, 465-476. DOI: 10.1016/j.tourman.2010.03.014.

FOSTERING RURAL TOURISM DEVELOPMENT – QUADRUPLE HELIX MODEL APPROACH¹

Jelena Ješić²; Radovan Pejanović³;

Abstract

The transformation of traditional rural economies into entrepreneurial economies in the transition countries is a very complex process. The individual entrepreneurial role in the field of rural tourism is the main strength for development. The aim of the research is emphasizing entrepreneurship role in rural tourism development in the national rural area, in the context in which governments, universities and other civic organizations could and should take part in forming solid regional systems for supporting rural tourism development. The synergy between university, government, industry and society in form of quadruple helix model, on different system levels (regional, national, international) could form basis for specific area development. The Quadruple Helix Model addresses new form of knowledge production and sees the university as part of a reciprocal relationship with society, industry and government.

Key Words: *entrepreneurship, sustainable development, quadruple helix model, rural tourism, innovation system, knowledge management*

JEL classification: *L83, Z32*

¹ This research is supported by the Ministry of Science and Technological Development of Serbia, as part of the projects: Interdisciplinary Research European integration and social and economic changes in Serbian economy on the way to EU [No. III 47009] and Basic Research Challenges and Prospects of structural changes in Serbia: strategic directions for economic development and harmonization with EU requirements [No. OI 179015].

² Jelena Ješić, Assistant professor, Educons University, Faculty of Business Economy, Vojvode Putnika 85-87, Sremska Kamenica, 21208, Autonomous Province of Vojvodina, Republic of Serbia.

³ Radovan Pejanović, Full professor, University of Novi Sad, Faculty of Agriculture, Trg Dositeja Obradovića 8, Novi Sad, 21000, Autonomous Province of Vojvodina, Republic of Serbia.

Introduction

Rural tourism is an important segment of multifunctional agriculture, i.e. integral and sustainable rural development, which due to the multiplicative effect tourism, can initiate the fastest diversification of the rural economy. Also, rural tourism provides additional income to residents of rural areas placement of agricultural products in the market in their own yard, as well as placement of home-made products. Rural tourism allows valorization of women's work in rural households, but also the employment of inactive categories of residents. The development of rural tourism would initiate development of agriculture, which would have a favourable impact on the growth of the social product and national income. If an integrated rural tourism product would be well marketed on the foreign tourist market, under the condition that compliance with quality standards in a rural tourism offer should be previously ensured, it would provide also the arrival of guests from abroad. This would make "invisible exports", and the foreign exchange inflow that would be achieved and would have a favourable effect on the state payment balance. The development of rural tourism would also have a social and political significance, given because tourism contributes to getting to know cultures, ways of life, and hence better understanding of different nations (Radović et al., 2012).

Authors differently define the concept of rural tourism but according to the generally accepted definition: "Rural tourism includes a wide range of activities, services and additional content provided by hosts (farmers, peasants) in family farms and estates to attract tourists to their area in order to generate additional income, while respecting the principles of sustainable development and conservation of natural resources" (Muhi, 2013, p.130). Sustainable tourism, in its most pure form, means an economic branch that minimizes the impact on the environment and local culture, simultaneously assisting in earning wages, opening new jobs and protecting local ecosystems. Namely, this is a responsible tourism that is friendly towards the natural and cultural heritage (Riznić, et al., p. 849). Author Supić underlines the significance and influence of sustainable rural and overall development because they are concentrated primarily on the conservation of natural resources and their use, i.e. management, which will enable meeting the needs of present and future generations. Such development, apart from the primary protection of natural resources, is economically cost-effective, technically and technologically viable, as well as socially justified and acceptable (Supić, 2012, p. 373). Rural

tourism is often also defined as tourism that provides "rural environment" to the visitor, offering him a combination of the experience of nature, culture and people of a typically rural character. The essence of rural life makes the full enjoyment of the visitor into an authentic, original and fundamental experiences. Rural tourism returns visitors to nature, the roots, the basic things and supports the return to origin and originality. Rural tourism includes a whole range of activities and services organized by the rural population.

It is based on sustainability principles and offers elements of rural environment and nature, but also represents the traditional hospitality and living values of the local population. What makes rural tourism so unique is the contact with this nature, as well as personal contact with local people. Rural accommodation combines different types of tourism that show rural life, art, culture and heritage in rural areas. World trends indicate that rural tourism is increasingly becoming a wider concept, and that the needs and expectations of domestic and foreign demand are becoming more sophisticated. Therefore, rural tourism is a combination of many different aspects experiencing, sharing and presenting rural life (Domazet, et al., 2018).

In order to achieve the expected effects of rural tourism, it is necessary to plan stimulation and organizational action in the construction of a sustainable rural tourism development. In addition, it is necessary that the rural tourism product be locally controlled, based on authenticity and promotion which highlights the real expectations of using the product. All this would lead to a faster development of rural tourism in our country that is currently located below real opportunities (Gašić, et al., 2015). Our concrete rural reality is inadequate infrastructure, inadequate institutional organisation and communication, lack of financial resources, reduced volume of tourist offer and traffic. Good endeavors and public policy frames are just some of the incentive factors that have influenced the situation in which the rural tourism in the Republic of Serbia is currently located. The fact that 85% of the territory of the Republic of Serbia consists of rural areas, large geographical diversity (lowlands, mountainous regions), wealth of natural and anthropogenic resources, multiethnic population etc. indicates that rural areas could play a more intense role in tourism development and be the key factor in the future economic development of the Republic of Serbia.

A better connection between government, society, scientific and research organizations and businesses at regional levels could remarkably accelerate the emergence of touristic offer in rural areas, and the connection between science, art and technology with new business models and practice could open up new opportunities for the development of social innovations in rural tourism. For these reasons, the establishment of these links will be supported, both in the process of creating new intellectual property, as well as in the different stages of development of new products, services and technologies in rural tourism development.

The conducted research is based on a methodology that enables the perception of the connection and the mutual dependence of the events relevant to the planned research, their movement, change and development (dialectical or synthetic method), as well as the verification of certain theoretical assumptions by comparing them with the concrete economic reality and determining the degree of truthfulness of these assumptions (verification method). The methodology used is based on the analysis and synthesis of processes and phenomena that lie at the basis of national/regional innovation system in the specific field of tourism development.

Problems, challenges and opportunities of rural tourism in Serbia

Rural tourism plays an important role in supporting the development of rural areas as new tourist destinations. Tourism in rural areas can become an important driver for their socio-cultural development and integrated part of economic development of the rural environment in general. Although mainly tourism and recreation are in tourists' focus in rural areas because of the higher interest of visitors for natural environment in rural areas, the culture plays an important role also. According to Nestoroska and Marinoski (2017), —the potentials of tourism development in rural areas are related with the presence of the natural and cultural resources and values that contribute to the characteristics of activities and services which include recreational, cultural, educational and gastronomic components. (Marinoski & Nestoroska, 2017, p. 220-221).

The Strategy for Agriculture and Rural Development of the Republic of Serbia for the period 2014-2020 emphasizes the potential of the rural tourism sector. The need for rural tourism sector development is stressed, but there is no budget for these purposes, nor the guidelines in the further

development of this sector. This document indicates a positive shift in the domain of defining the first outlines of rural development policy based on the EU model of support.

The Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025 also highlights the great potential of rural tourism. In this document it is mentioned that in 2014, according to Eurostat, only 506 foreign tourists visited rural tourism facilities of Serbia. The strategy does not include data on rural tourism capacities. The necessity is emphasized in accordance with this Strategy and the Program for the Development of Sustainable Rural Tourism in the Republic of Serbia to support commercial training programs for rural farms interested in rural tourism, various models of partnerships with registered farms that will connect resources, knowledge and skills. Special attention should be paid to the possibility of using incentive programs for financing the development of rural tourism from the IPARD program of the EU, which envisages the use of about 18 million EUR for the development of rural tourism (Domazet, et al., 2018). The realization of the Strategy, as well as the projected allocation rates from the budget for science, research and innovation in the coming years, will depend on the available funds in the budget of the Republic of Serbia and will be planned annually within the established budget limit (*Strategy of Scientific and Technological Development of the Republic of Serbia*, Official gazette of RS, 25/2016).

If the Republic of Serbia wants to harmonize the infrastructure of institutions for social development with the developed countries and become part of the European Research Area by 2020, it certainly needs to gradually increase its investment in research, development and innovation in order to achieve the goal set by the EU's Horizon 2020 Program in the future. The question is whether this strategic goal, in the process of EU accession, will be realized in 2020 or later. Total investments in science, technological development and innovation from all sources will amount to 3% of GDP, and from the budget 1% of GDP will depend on the significant economic growth and available funds in the budget of the Republic of Serbia (*Strategy of Scientific and Technological Development of the Republic of Serbia*, Official gazette of RS, 25/2016). Financing of rural development at individual level has many obstacles and risks, as a result of slow turnover of the capital. At the first place, the banks in Serbia are not willing to fund individual agricultural producers. "Small, family-run farms (that are predominant in Serbia) are in the worst,

unenviable position and they do not actually have the access to the commercial loans” (Pejanović et al., 2013).

An innovative approach to rural development as an answer to real needs of rural tourism

One of the special touristic products according to the the Tourism Development Strategy of the Republic of Serbia is rural tourism. Touristic destinations with rural tourism as one of the key products are: Tourist region Western Serbia, Kragujevac/Pomoravlje, Upper Danube with The Bačka canals, Lower Danube, Central part of Šumadija, Mountain Golija with a wider environment. Divčibare and Valjevo, Niš, Niška Banja. Vlasina, Vranje and Vranjska Spa, Stig and Kuchai Mountains, South Banat, Old mountain, Podrinje, Loznica, Banja Koviljača. In table 1 we can see all tourist destinations and their key values (attractiveness).

Table 1: *Tourist destinations with rural tourism development potential*

Tourist destinations	Key values (attractiveness)
Tourist region Western Serbia	Cultural Heritage Natural Resources Rivers, Lakes NP Tara, Zlatibor and Zlatar – RH Centers SRP Uvac Mokra Gora (Šarganska osmica and Drvengrad) Mileševa Monastery
Kragujevac / Pomoravlje	Cultural heritage Monasteries Ravanica and Manasija Naive painters galleries Monuments of the industrial culture Senjski Rudnik Natural resources (Resavska cave, Waterfall Big beech, Morava, Ravanica and Grza)
Upper Danube with the Backa canals	Cultural heritage Natural resources (wetland habitats, flora and fauna) SRP Gornje Podunavlje Danube with the Backa canals Small towns and farms
Lower Danube	Cultural heritage Natural resources Danube NP Djerdap
Central part of Šumadija	Cultural heritage

	Natural resources Bukovica Spa Oplenac Mount Rudnik
Mountain Golija with a wider environment	Cultural Heritage Natural Resources Reservats "Man and Biosphere", "Golija" Uvac and Uvac Lake
Divčibare and Valjevo	Cultural heritage Natural resources
Niš, Niška Banja	Cultural heritage Natural resources Niška Banja
Vlasina, Vranje and Vranjska Spa	Cultural heritage Natural resources Vlasinsko Lake Vranjska Banja Small towns
Stig and Kuchai Mountains	Cultural heritage Natural resources Danube Mountains The spa towns Speleological objects Small towns
South Banat	Natural resources Deliblat sandstone Belockrvan lakes Danube Small towns
Old mountain	Cultural heritage Natural resources Old mountain Small towns
Podrinje Loznica, Banja Koviljača	Cultural heritage Natural resources Drina Gučevo, Cer, Vlačić Banja Koviljača

Source: *Tourism Development Strategy of the Republic of Serbia 2016 – 2025*

Tourism, and especially rural tourism activities are vital to AP Vojvodina economy. Tourism is an economic branch of Vojvodina with a perspective to become one of the key backbones of its development and significant revenue, with the areas of Southeast and Central Europe as the primary market (Pejanović & Njegovan, 2011)

In order to further develop rural tourism, active involvement of social, political and other institutions and individuals is necessary. Also, for the adequate evaluation of cultural and historical heritage, increased efforts on restoring numerous sites and facilities, which can increase the commitment of the local community to its local area, customs and heritage, are required. Development of rural tourism in Vojvodina must be based on the principles of sustainable development. If a destination decides that rural tourism is a development tool of that place, they must carefully plan and manage this development, which will not only satisfy the needs of tourists but should also ensure the sustainable development of the local community (Njegovan, et al., 2015)

One of the ways of fostering rural tourism proposed by Development strategy Tourism of the republic Serbia 2016 – 2025 is public-private partnership (PPP). Public-private partnership is a widely applied model in modern tourism and it is already in use in almost all countries. The need for a strong partnership between the public and the private sector is more important today than ever before. It is about the maximum synergy of interest between partners, PPP should be developed wherever possible. The role of the state is basically changing tourism, because the state becomes a partner. The state, in principle, is not a good manager and therefore finds an interest in partnering with the private sector. There are known to be successful PPPs examples where the public sector, for example, gives land, gives space for cultural reconstruction monuments to manage the private sector. In the decision-making process based on consultations and active cooperation between public and private sector. This process requires constant mutual communication (Development strategy Tourism of the republic Serbia 2016 – 2025, p. 26).

Policy makers are becoming increasingly aware that rural development policy is needed for at least three reasons. First: rural areas face major challenges that undermine territorial cohesion within countries. Second: rural areas often have an economic potential that is largely unused or can be better used for the benefit of rural population and overall national development. Third: no sectoral policy or market forces are unable to fully respond to the heterogeneity of the challenges and potentials of rural areas and to deal with all positive and negative external factors (Đorđević Milošević & Milovanović, 2012). Many researchers point out that "there is a need for a new paradigm of rural development". Its main characteristics should focus on the territories, rather than on the sectors and increase investments, rather than subsidies. There are objectives such

as equalization of conditions living in rural and urban areas, increasing farm incomes, the competitiveness of households should be complemented by the competitiveness of rural areas, the valorisation of local resources, exploitation of unused resources. Key actors for implementing such a paradigm are not more than national governments and farmers, but all levels of government (supranational, national, regional and local), various local actors (public, private, non-governmental organizations).

Stimulating the young people to stay and work in Serbia. The role of Government is great, because it can stimulate the young people at the higher level (encouraging entrepreneurship, self-employment). The unemployment problem of the brain drain costs, also, would be much smaller, thereby, the old problem of negative population, growth rate present for decades, will significantly be decreased (Vucenov, S., Djuran (Jesic), J., 2012).

Building a sustainable rural tourism development approach in Quadruple helix model constellation

By facilitating the strengthening of complementary links on the university-economy-state-society relationship, and clearly defined functions in the Quadruple helix model, we enable: (1) facilitated cooperation between universities and businesses for better satisfaction of mutual needs and greater contribution to state support for a stronger knowledge economy; (2) developing a suitable environment for the development of academic entrepreneurship, the use of knowledge, innovation and achievement in all areas of science, research and application of knowledge; (3) Encouraging and applying the experience of good practice in this type of compatible cooperation between knowledge institutions, economic structures, state institutions and society. The concept of an innovative knowledge society requires a more intensive approach of science to market needs, as well as a kind of "mixing" of the market into the world of science through the necessity of systemic commercialization of knowledge through innovation. Such organized synergy and synergy between state institutions, scientific and research organizations (universities and R&D institutes), economies and societies, in an institutional and functional sense, is at the heart of building efficient and sustainable national / regional innovation systems, that is stimulation of innovative activity and application results of this activity in practice (Jesic, p. 36, 2016).

The tourism sector is generally held to be of vital economic importance to local and regional communities. At the same time, earlier research has questioned the innovative potential and capacity in the industry, especially where small businesses are concerned (Hjalager, 2002). Small tourism enterprises are usually not seen as capable of radical innovation, instead relying on traditional products and services, delivered and marketed by established technologies and channels, manned by a low-educated and less-creative workforce (Thomas, et al., 2011).

When reviewing possible ways of supporting and enhancing innovative work, Hjalager points at the importance of regulatory and infrastructural changes, organisations concerned with collecting and disseminating knowledge, and technological developments (Hjalager, 2002). Furthermore, Thomas et al. (2011) and Skoglund (2011) point at the widened possibilities for inter-firm collaboration and shared marketing channels opened up as a result of information and communication technologies being adopted by small firms. Many of these aspects require interaction between firms, but also with governmental agencies providing regulations and support and academic institutions providing practical knowledge.

Following this reasoning, interactions between the four helices in the project were designed based on pre-conceived notions of what each helix could contribute to achieve project targets. As the practicalities of the Triple Helix model are well documented in literature, the contributions of each of these three helices have been specified from the start. Public sector organisations were expected to contribute with financial resources, policy making, innovation system support and business advisory services. The academic sector provided technologies related to products and services (in this case ICT-based solutions to increase the visibility of tourism firms to their customers), and knowledge on innovation systems, business clusters and other forms of collaborative practices. Academia also provided training and education, as well as access to business incubators and research spin-offs. The small firms were to run and develop their businesses, using the support structures provided by the two first helices. By introducing the civil sector in the guise of NGOs, the project aimed at improving the relations between the other helices and establishing regional and transnational business collaborations, such as alliances, co-branded destination services and industry clusters.

By promoting an innovation system where marginalised groups play central roles, the Quadruple Helix model provides an interesting example of how to bridge the gender gap of entrepreneurship and innovation in future innovation systems initiatives. These experiences can guide future policy programs on regional growth and innovation when aspiring to create more inclusive ways of "doing entrepreneurship". At the same time, there are also several problematic and unresolved aspects of the case studied that relates back also to other earlier studies of innovation systems and entrepreneurship beyond traditional notions of Triple Helix (Lindberg, et al., 2012). One such aspect is the consequences of the regionalisation of innovation system concepts that tend to make weak and under-developed regions subject to the same policies as highly competitive nations and industry clusters. The Quadruple Helix model is a response to the calls for civil society involvement and emphasis in weak regions (Cornett, 2009), but is of course also a more accurate description of the collaboration patterns in prosperous regions who often tend to have well developed 'third sectors'.

In addition to fulfilling its traditional functions, each of the main elements "assumes the role of the other" creating such new synergetic effects - sinteraction. In economies with the applied triple / quadruple spiral model. the qualifving workforce has increased. the industrv and service sector is based on knowledge and driven by innovations, with the technology-intensive role of universities and scientific-research organizations. These new ways of interdisciplinary knowledge creation are basically modelling and building national innovation systems, which is of particular importance in contemporary conditions of competitiveness on the international scene. The principle of complementarity in helix models, similar to those of natural sciences, reflects interaction, complementing the relation of constituent elements that together contribute to the integrity of a particular phenomenon. In conditions where the global economy faces the challenges of unemployment, poor or negative economic growth, increased needs for health services, rapidly growing digital business models, unsustainable environmental changes, etc., it is noticed that universities, businesses, state institutions and the society as a whole is working together to solve all the current and future challenges (Penezic & Djuran, 2013).

The proposal of a practical policy measure on structural changes in Serbia would clarify the concept of regional innovation systems, the role and importance of RIS within the national innovation system, the goals and

tasks of each individual RIS on the territory of the RS. Also, by following the policies for managing regional innovation systems in the EU, as well as comparing the results of RS regional innovation systems, we strive to strengthen innovation through the systemic pathway, creating fundamental regional systems. A positive step, made by the establishment of 5 statistical regions, in the Law on Regional Development ("Official Gazette of the Republic of Serbia", No. 51/2009 and 30/2010) was adopted by the Assembly of Serbia in 2010 for the purpose of harmonization with the countries of the European Union and other European countries using NUTS standards. By this approach, the level of the state is defined as one statistical level. For NUTS level 1, it is not determined whether it will be made by Serbia as a whole or three areas (2 autonomous provinces and the so-called territory of Serbia outside the territory of the autonomous provinces). The division of Serbia into 7 statistical regions is divided at NUTS level 2. NUTS 3 would be the current administrative environment (although this unit level requires a population of at least 150,000, and some districts do not meet this requirement). The lower level of the LAU would be the territories of cities and municipalities. This organization of space is accompanied by appropriate codification of territorial units. For level NUTS 1 code will be RS0, and for level NUTS 2 will be RS01, RS02... RS07. By properly monitoring and directing regional development and fostering the regional innovation of each individual region based on sustained regional innovation systems and building innovation infrastructure, we will contribute to raising the level of competitiveness of the national economy (Jesic, p. 302, 2016).

Towards the end of the last century, the concept of rural development is gaining in importance in both developed and developing countries, including Serbia. The view of the socioeconomic development policy in general is drastically changed. The focus is not only on overcoming regional disparities and differences between urban and rural development, but also on the coordination of the development of agriculture and other activities and services in rural areas, in order to ensure a better quality of life and improve the living standard of the population by the rational use of resources and their preservation for future generations. This integral approach is today the basis of all development policies of the EU states, where Serbia is seeking membership.

For example, LEADER (A guide to the implementation of the LEADER approach for the development of rural communities, 2017) is one of the

proven effective approaches to rural development based on the mobilization of local communities' own potential for their development. The LEADER approach focuses on "HOW", more than "WHAT" needs to be done. In this sense, it involves the formation of multisectoral local partnerships, i.e. local action groups (LAGs) in a specific rural area with a unique identity. LAGs manage development in accordance with the specific needs of the local population / territory – through decision making, design of local rural development strategy (LSRR), allocation of financial resources and implementation projects. The LEADER is not a new model of rural development, since it was introduced in the countries of the European Union (EU) for the first time in 1991 as The Community Initiative Program, funded by the Structural Funds, and was intended for innovative pilot projects that encourage rural development.

Since 2007, the LEADER has become an integral part of the Rural Policy, i.e. the Common Agricultural Policy of the European Union (ZAP), with the total budget of 2.5-5% (approximately 2.5-5 billion €) of the total resources of the European Agricultural Fund for rural development (EAFRD). The LEADER has since become an integral part of the National Rural Development Programs of EU Member States, within which the LEADER stands out from 2.3-11.3% of the funds. The implementation of Local Rural Development Strategies is among the 10th most important measures of the European Agricultural Fund for Rural Development, for which 4% of the total budget is allocated.

Conclusions

In recent decades the primary agricultural production in Serbia was in a permanent unfavorable economic situation, which is reflected in the "price scissors", which are open at the expense of primary agricultural products, as well as the disparity of income, but also in other ways, all of which have unfavorable impact on agricultural producers (Pejanović, 2013). Global challenges in the information and digital sphere, health care, environmental protection and all areas affected by disturbing forces can be reversed in the chances of economic growth, implementation and joint complementary action of the main elements of the fourfold helix model. As such, a fourfold helix model can create a better way of coordination to improve productivity, production volume and innovation. A positive attitude towards the use of knowledge and innovation can be created by several economic, state and financial institutions interested in

investing in innovation, especially in the MESP sector (Jesic, p. 303, 2016).

Both the Triple Helix (TH) concept and the Quadruple Helix (QH) approach are grounded on the idea that innovation is the outcome of an interactive process involving different spheres of actors, each contributing according to its 'institutional' function in society. Traditional protagonists of the TH are University (UNI), Industry (IND), and Government (GOV). Civil society (CIV) is the additional sphere included in the QH. Contribution to innovation is envisaged in terms of sharing of knowledge and transfer of know-how, with the helices models assigning and formalising a precise role to each sphere in supporting economic growth through innovation. As society becomes more and more interactive, the role of knowledge as well as the number and scope of spheres to be included in the innovation-generating process have been increasing over time (European Union and Committee of the Regions, 2016, p. 5).

More than 10 years after the Gibbons' contribution on knowledge production and the definition of the Triple Helix model, Carayannis and Campbell (2009) introduced a third, more complex, mode for producing knowledge (Mode 3) which had a higher number of interconnections and actors involved. 'Mode 3' entails the learning processes and dynamics of *Mode 2* while integrating them with a bottom-up approach including civil society: *"The Mode 3 Knowledge Production System architecture focuses on and leverages higher order learning processes and dynamics that allow for both top-down government, university, and industry policies and practices and bottom-up civil society and grassroots movements, initiatives and priorities to interact and engage with each other toward a more intelligent, effective, and efficient synthesis"* (Carayannis & Campbell, 2009). In parallel, the concept of Quadruple Helix was developed by maintaining the interaction of the spheres of the TH (UNI, IND, and GOV) and by formalising the role of civil society (e.g. Yawson, 2009).

As they further explain the essence of Helix logic, Leydesdorff and Zawdie authors emphasize that while a national innovation system is an institutional program focused on creating wealth on a national or regional basis, the relationships between the main factors in the Triple Helix / Quadruple Helix model provide a model of structure and dynamics in the basis the functioning of the innovation system at different levels. Hence, the connection and mutual dialogue in the theoretical and practical sense

(inter) of a national / regional innovation system with helix models can result in useful and useful theoretical and practical facts and findings. (Jesic, p. 45, 2016)

The fourth helix is hereafter referred to with the term ‘civil society’ and is defined as follows:

‘A collective entity formed by individual users living on a territory and interacting with university, industry and government as customers, citizens or members of a community in order to contribute to build new innovation paths which are able to promote the socio-economic growth of the territory. Civil society demands that innovations are made according to its needs, releases feedback on products and services (and on their innovation value), and provides its own contribution in terms of knowledge, inventiveness and creativity. Civil society is constantly interacting with the other three helices as a result of enabling technologies for information and communication which make social inclusion possible in real time and at low cost.’ (European Union and Committee of the Regions, 2016, p. 18).

This model in field of rural tourism development underlines the regional level in which each actor maintains the independence of its own sphere and enhances the performance of the other.

References

1. A guide to the implementation of the LEADER approach for the development of rural communities, (2017). <http://www.rra-bp.rs/uploads/Prirucnik%20LEADER%20finalni.pdf>
2. Carayannis E. G., Campbell D.F.J., (2009). ‘Mode 3’ and ‘Quadruple Helix’: toward a 21st century fractal innovation ecosystem. *International Journal of Technology Management*, No. 46, Vol.3–4:201–234.
3. Cornett, A. P. (2009). Aims and strategies in regional innovation and growth policy: a Danish perspective. *Entrepreneurship and Regional Development*, No. 21, Vol. 4:399–420.
4. Domazet, S., Ješić, J., Vukadinović, S., (2018). European union mechanisms for the development of the tourism sector in rural areas, *Treći tematski zbornik radova međunarodnog značaja: Savremeni menadžment alati i ekonomija turističkog sektora današnjice*, Udruženja

ekonomista i menadžera Balkana i Fakulteta za turizam i hotelijerstvo, Ohrid, (ISBN: 978-86-80194-14-1).

5. Đorđević Milošević, S., Milovanović, J. (2012). Održivi turizam u funkciji ruralnog razvoja Mala poljoprivredna gazdinstva i ruralni turizam u Srbiji, Univerzitet Singidunum, Beograd Agroznanje, Vršac FAO, Budimpešta.
6. European Union and the Committee of the Regions (2016). Using the Quadruple Helix Approach to Accelerate the Transfer of Research and Innovation Results to Regional Growth.
7. Gašić, M., Perić, G., Ivanović, V. (2015). Development of rural tourism in the Republic of Serbia, BizInfo Journal Year 2015, Vol. 6, No. 2:71-81
8. Government of The Republic of Serbia, Strategy for Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024, <http://uap.gov.rs/wp-content/uploads/2016/05/STRATEGIJA-2014-2020.pdf> pp. 42
9. Government of The Republic of Serbia, Strategy of Scientific and Technological Development of the Republic of Serbia, Official gazette of RS, 25/2016
10. Government of The Republic of Serbia, Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025, Belgrade, 2018, <http://mtt.gov.rs/download/3/strategija.pdf>.
11. Hjalager, A. M, (2002). Repairing innovation defectiveness in tourism. Tourism Management, No. 23, 465–474.
12. Jesic. J. (2016). Ouadruple helix model as a basis of national innovation system, doctoral thesis, Educons Univerzitet, Novi Sad.
13. Lindberg, M., Lindgren, M., Packendorff, J. (2012). Quadruple Helix as a Way to Bridge the Gender Gap in Entrepreneurship: The Case of an Innovation System Project in the Baltic Sea Region, Journal of knowledge economy, Springer.

14. MacGregor, S. P., Marques-Gou, P., Simon-Villar, A. (2010). Gauging readiness for the Quadruple Helix: a study of 16 European organizations, *Journal of Knowledge Economy*, No. 1, Vol. 3:173–190.
15. Marinoski, N., Nestoroska, I. (2017). Development of selective rural tourism products as factor for competitiveness, *The Second International Scientific Conference, 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*, pp. 218-233.
16. Muhi, B. (2013). Ruralni turizam kao komponenta integralnog i održivog razvoja sela u Vojvodini, *Zbornik matice srpske za društvene nauke*, Novi Sad.
17. Njegovan, Z., Demirović, D., Radović, G. (2015). Upravljanje održivim razvojem ruralnog turizma u vojvodini, *Škola biznisa, Viša poslovna škola*, Novi Sad.
18. Pejanović, R. (2013). *Ogledi iz agrarne i ruralne ekonomije*, Poljoprivredni fakultet, Novi Sad.
19. Pejanović, R., Njegovan, Z. (2011). *Ruralni razvoj i lokalni ekonomski razvoj AP Vojvodine*, monografija, Univerzitet u Novom Sadu, Poljoprivredni fakultet, Novi Sad.
20. pejanović R., Njegovan Z., Maksimović G. (2013). *Ekonomika poljoprivrede, agrarna politika i ruralni razvoj*, Društvo agrarnih ekonomista Balkana, Beograd.
21. Penezic, N., Djuran (Jesic), J., (2013). Model trostruke spirale (the triple helix model) kao osnova nacionalnog inovacionog sistema, *Zbornik univerziteta Edukons za društvene nauke*, 4. Knjiga, Sremska Kamenica: Univerzitet Edukons, pp. 151-165.
22. Radović, G., Pejanović, R., Njegovan, Z. (2012). Značaj i uloga integrisanog ruralnog turističkog proizvoda u Republici Srbiji. U: J. Petrović-Vujačić (ur.), *Međunarodni skup: Ekonomski vidici – tematski broj: Privredni preobražaj Srbije – mogućnosti i ograničenja*, Vrdnik (pp. 577–591). Beograd: Društvo ekonomista Beograda.

23. Riznić, D., Alagić, S., Stojanović, G., Održivi razvoj i adaptacija privrede na ekološke probleme, Naučno - stručno društvo za zaštitu životne sredine Srbije – Ecologica.
24. Skoglund A (2011). Empowering women's entrepreneurship to establish bottom-up innovation systems. The case of cycling tourism in Norrtälje Region. Quadruple helix reports 2011:5. Norrtälje: Quadruple Helix Central Baltic.
25. Supić, D. (2012). Evolucija ruralnog razvoja EU i analiza ruralne politike Srbije, Poslovna ekonomija, Sremska Kamenica.
26. Thomas R, Shaw G, Page S. J. (2011). Understanding small firms in tourism: a perspective on research trends and challenges, Tourism Management, No. 32:963–976.
27. Vucenov, S., Djuran (Jesic), J. (2012). Institutional prerequisites of employment policy and functioning of labour market, Managing Structural Changes Trends and Requirements, pg. 444-458, Chapter 24, Faculty of Economics of the University of Coimbra, Coimbra, Portugal. (ISBN: 978-972-9344-06-0; COBISS.SR-ID 1024514192)
28. Yawson R. M. (2009). The Ecological System of Innovation: A New Architectural Framework for a Functional Evidence-Based Platform for Science and Innovation Policy, The Future of Innovation Proceedings of the XXIV ISPIM 2009 Conference, Vienna, Austria, June 21–24, 2009.

VALORIZATION OF THE FACTORS FOR DEVELOPMENT OF RURAL TOURISM IN THE MUNICIPALITY OF DEBARCA, THE REPUBLIC OF MACEDONIA

Nikola V. Dimitrov¹; Aleksandra Terzić²;

Abstract

This paper explores the application of activities based on segmentation and valorization of factors for the development of several alternative forms of tourism in rural areas. Segmentation is based on the assumption that different types of natural and anthropogenic motifs can attract various types of tourists in the rural area of the Municipality of Debarca in the Republic of Macedonia. Through a number of parameters we value the space for tourism activities which make the basis for identification of direct market segments of many tourism types (cultural, rural, religious, mountain, hunting, etc.) designed for three target customer groups (young, family, adult). The validity of these segments is confirmed by field research (survey and interview) and qualitative - quantitative analysis. Each segment showed different characteristics of how to streamline marketing activities in the direction of development of rural tourism in the rural Municipality of Debarca.

Key Words: tourism valorization, rural area, Debarca Municipality, Republic of Macedonia

JEL classification: Z3, Z32

Introduction

Selective types of tourism as the main tourist activity have been developing for more than 30 years. In this group, the most important are cultural tourism, rural tourism, religious tourism and the like. The most important of all is cultural tourism as a form of tourism with special

1 Nikola V. Dimitrov, Full Professor, Dean, Faculty of tourism and business logistics – Gevgelia, University Goce Delcev – Stip, Krste Misirkov bb, 2000 Stip, Republic of Macedonia, +38932550351 +38976462745, nikola.dimitrov@ugd.edu.mk

2 Aleksandra Terzić, PhD, Reaches Associate, Geographical Institute "Jovan Cvijić" SANU, Serbia, 11000 Belgrade, Đure Jakšića 9, +381112636395, a.terzic@gi.sanu.as.rs

interest, whose subjects are considered motivated to travel for various reasons (McIntosh & Goeldner, 1990; Richards, 1996; Goodrich, 1997). Rural tourism has been identified as an important driver of the rural economy in the long run, which will valorize natural and cultural resources and the existing accommodation facilities. Tourism activities in rural areas are directly linked to sustainable development by supporting the protection of natural and cultural capital of these areas and using them in more sustainable ways, by establishing a balance between economic, ecological and social wellbeing of the rural spaces (Ćurčić et al., 2018). Cultural and natural attractions have a central role in tourism system, representing the base for development of recreational and cultural tourism, creating the identity of the destination. Attractions often affect the type, location and intensity of tourism activities in a region more intensely than quality and quantity of tourism services and institutions (Bjeljac et al., 2013). Tourism that is closely related to the exploitation of natural and cultural resources have a role in linking visitors and places; additionally, it offers unique opportunities for local communities to generate income locally and to enjoy to have their villages being well valorised and publicly appreciated (Bjeljac et al., 2013).

Each trip includes cultural elements; however, it is necessary to distinguish between cultural tourism in urban environment (sightseeing, visiting a museum, religious buildings, manifestations, etc.) and cultural tourism or a tour in the rural environment that includes consideration and short visits to cultural monuments (church, monastery, etc.), reviewing natural rarities (if any), visiting a local museum (if any), consuming gastronomic specialties, etc. (Richards, 1996; Silberberg, 1995; WTO, 1985; Schweitzer, 1999; Bachleitner & Zins, 1999; Hannabus, 1999; McKercher & du Cros, 2002).

The aim of this paper is to investigate the segmentation of natural and anthropogenic resources in a small rural area of Debarca for tourism development (Dimitrov & Petrevska, 2012; Petrevska & Dimitrov, 2013; Metodijeski & Dimitrov, 2018).

Methodology

The survey includes qualitative and quantitative analysis on the basis of review and examination of relevant primary (published books, scientific papers and field research) and secondary sources (statistics, publications, web pages, etc.). Important data were obtained through interviews and

structural survey with permanent and temporary residents, using person to person contact in several villages in Debarca, conducted during the summer of 2018. The research detected 12 attractive natural and the same number of anthropogenic tourist resources, that are considered to be the most important tourist attractions in the Municipality of Debarca. For their evaluation, 10 parameters with a value of 1 to 3 for quantitative valorization and 5 parameters with a value of 1 to 3 for qualitative valorization are defined. The results of the research will be presented through several tables from which graphically we can obtain useful data of the current state of the natural and anthropogenic resources and their quantitative and qualitative general value.

Basic information

The subject of our research is the Municipality of Debarca – a hilly – mountainous area with an area of 425.4 km² with approximately 5,507 inhabitants (2002) distributed in 30 settlements (Table 1). Debarca region is a rural area (368 km², with about 2,940 inhabitants in 24 settlements) of the western part of the Republic of Macedonia.

Figure 1: *Geographical position of the Municipality of Debarca, Republic of Macedonia*



Source: https://en.wikipedia.org/wiki/Debarca_Municipality

The area is divided into three smaller areas: Gorna (Upper) Debarca (7 villages, the center being the Village of Slivovo), Sredna (Middle)

Debarca (with 5 villages, Izleglavje being the center) and Dolna (Lower) Debarca (with 12 villages and Belchishta as a municipal center). The municipality has 64 churches, 9 monasteries, 32 archaeological sites, 9 monuments, one central (Debarca primary school - Belchista) with four regional schools from the first to the ninth grade (in Velmei, Lesani, Trebenishta and Meseista) and six regional primary schools from the first to the fifth grade (in Zlasti, Botun, Izdeglavje, Volino, Orovnik and Gorenci), several hundred houses with rural tourism potential. Almost all villages have their own water supply system and an asphalt road leading to each of them. There are a total of 8 catering facilities with over 550 seats in the Municipality and there are no accommodation facilities (the Pochinka Motel in Arbinovo is not in operation for a long time) (inventory of catering facilities in 2008).

Table 1: *Resources that are important for tourism development of the Municipality of Debarca*

Gorna Debarca				
	Settlement	MOTIVES		
		Natural	Anthropogenic	Communicative - Receptive
1.	Arbinovo	885 m a.s.l. Mountain	4 churches, old houses, 26 inhabitants	Traffic connection, close to the new road
2.	Lactine	940 m a.s.l. Karaorman pl. (pl. – mountain) 1794 m a.s.l. Slavej pl.	1 church, old houses, 82 inhabitants	Traffic connection, close to the new road
3.	Godivje	945 m a.s.l. Slavej pl., Karaorman pl.	3 churches, old houses, 92 inhabitants	Traffic connection
4.	Vrbjani	930 m a.s.l. Slavej pl.	2 churches, old houses, memorial from the National Liberation War, 58 inhabitants	Traffic connection, close to the new road
5.	Slivovo	950 m a.s.l. Ilinska pl., 1909 m.s.s.l. Lisca peak	3 churches, old houses, 5 archaeological sites, 16 inhabitants	Traffic connection, close to the new road
6.	Turje	1120 m a.s.l. Ilinska pl.	1 church, 17 inhabitants	Traffic connection
7.	Mramorec	1032 m a.s.l. Ilinska pl.	2 churches, old houses, memorial from the National Liberation War, Rodoslovnj izvori Event (2008), 8 inhabitants	Traffic connection, beyond the new road

Overview: Mountainous and hilly area. 16 churches, 1 monastery, 5 archaeological sites, 2 monuments, old houses that can be adapted for rural tourism, also new modern holiday homes. Total 299 inhabitants. All small villages.

Sredna Debarca				
	Settlement	MOTIVES		
		<i>Natural</i>	<i>Anthropogenic</i>	<i>Communicative - Receptive</i>
1.	Izdeglavje	798 m a.s.l. Valley surrounded by hills	2 churches, old houses, 136 inhabitants	Traffic connection, close to the new road
2.	Ozdoleni	835 m a.s.l. in a valley surrounded by hills	2 churches, old houses, National Liberation War memorial, 47 inhabitants	Traffic connection, 4 km from the new road
3.	Slatino	860 m, in the basin, Ilinska pl., Slatina Artificial Lake with 15.5m high dam (dam burst in 2013)	2 churches, old houses, memorial from the National Liberation War, 161 resident	Good traffic connection
4.	Slatinski Chiflik	807 m.sv. Located in a valley	1 church, 11 inhabitants	Traffic connection
5.	Sosani	860 m.sv. Ilinska pl.	2 churches, old houses, religious event of Glory of St. Peter, 15 inhabitants	Traffic connection

Overview: Mountain, hilly areas and valleys, 9 churches, 1 chapel, 1 monastery, 1 monument. There are old houses that can be adapted for rural tourism, and there are few new modern holiday homes. Total 370 inhabitants. All small villages.

Dolna Debarca				
	Settlement	MOTIVES		
		<i>Natural</i>	<i>Anthropogenic</i>	<i>Communicative - Receptive</i>
1.	Belchitsa	780 m a.s.l. In the basin, 767 m a.s.l. Sini Viroj Nature Reserve or Belchisko Blato, area of 500 m2	Seat of the municipality, 2 churches, old houses, National Liberation War memorial, Art colony and gallery, 437 inhabitants	Good traffic connection; Art Gallery, Factory, Ambulance School, Cafe
2.	Botun	770 m a.s.l. The valley and hilly land, Sateska River	2 churches, monastery, National Liberation War memorial, religious event of Glory of the Virgin Mary, 227 inhabitants	Good traffic connection, on road intersection Lodging house with 4 rooms
3.	Brezani	1000 m a.s.l. Plakenska pl. Plake Peak, Mazatar Peak, Bayrak Peak	2 churches, 1 monastery, old houses, 31 resident	Traffic connection, Lodging house

4.	Velmey	855 m a.s.l. at the foothill of Ilinska pl., Javorec Cave, Gorno Pole Spring	6 churches, old houses, memorial from the National Liberation War and the Ilinden uprising, religious event of Glory of the Little Virgin, 511 inhabitants	Traffic connection, Cafe
5.	Grko Polje	795 m a.s.l. In the basin	1 church, old houses, event of Glory of St. George, 30 inhabitants	Traffic connection
6.	Gorno Sredorecie	790 m a.s.l. In the valley	1 church, archaeological site, 14 inhabitants	1 Traffic connection, Cafe
7.	Dolno Sredorecie	785 m a.s.l. In the valley	Dolno Sredorecie 57 inhabitants, religious event of the Glory to St. George	Traffic connection
8.	Zlesti	788 m a.s.l. In the valley	1 church, 1 monastery, old houses, 4 archaeological sites, 294 inhabitants	Traffic connection
9.	Leshani	807 m a.s.l. In the basin at the foothills	5 churches, 1 monastery, old houses, celebration of All Saints, 484 inhabitants	Traffic connection, Cafe, Lodging house (auxiliary unit)
10.	Novo Selo	770 m a.s.l. In the valley	2 churches, 68 inhabitants	Traffic connection
11.	Pesochani	800 m a.s.l. Foothill of the Slavej pl., Pesocani River	2 churches, 95 inhabitants	Traffic connection
12.	Crvena Voda	1180 m a.s.l. Karaorman pl.	1 church, 1 archaeological site, old houses, National Liberation War memorial, 23 inhabitants	Traffic connection
Overview: Mountain, hills and valleys. Total 25 churches, 4 monasteries, 4 chapels, 24 archaeological sites, 4 monuments. Old houses can be adapted for rural tourism. A total of 2,271 inhabitants (7 small villages up to 100 inhabitants, 4 villages up to 500 and 1 village with over 500 inhabitants).				
Other villages				
	Settlement	MOTIVES		
		<i>Natural</i>	<i>Anthropogenic</i>	<i>Communicative - Receptive</i>
1.	Volino	710 m a.s.l. In the valley	3 churches, National Liberation War memorial, 462 inhabitants	Traffic connection, Cafe

2.	Gorenci	760 m a.s.l. In the Struga bassin	3 churches, 316 inhabitants	Traffic connection
3.	Klimestani	763 m a.s.l. at foothill of Karaorman pl.	1 church, 57 inhabitants	Traffic connection
4.	Mesheishta	752 m a.s.l. Ohrid - Struga Valley	4 churches, 1 monastery, National Liberation War memorial, events of the Glory of St. Peter and Ilinden, 779 inhabitants	Good traffic connection to the new road, Cafe
5.	Orovnik	750 m a.s.l. In the basin, Over 100 m long well- trimmed river bank.	1 church, 1 chapel, 2 monasteries, archaeological sites, old houses, event of Vodici- Bogojavlene, 440 inhabitants	Good traffic connection, two non-categorized accommodation units, Cafe
6.	Trebenishta	718 m a.s.l. In the basin	2 churches, 2 archaeological sites, old houses, Event of Cresoher, 513 inhabitants	Good traffic connection, Cafe
Overview: Valley and hilly region. Total of 14 churches, 3 monasteries, 1 chapel, 3 archaeological sites, 2 monuments, old and new houses with possibility for rural tourism. A total of 2567 inhabitants (one small village up to 100 inhabitants, 2 villages up to 500 inhabitants, 2 villages over 500).				

Sources: *Agency for Real Estate Cadastre; State Statistical Office - Census of population of Republic of Macedonia, 2002; Macedonian Orthodox Church - Ohrid Archbishopic; Panov, 1998; Vasileski, 1999; Talevski & Talevska, 2007; Dimitrov & Petrevska, 2012; Petrevska & Dimitrov, 2013; Metodijeski & Dimitrov, 2018; Field Research, June - August 2018.*

Results and analyzes

Tourist valorization or evaluation of a certain area is an indicative method that determines the value of certain natural and cultural resources for creating strategic plans for tourism development at a particular destination (Bjeljac et al., 2013). In this particular case, the rural area of the Municipality of Debarca relies heavily on the traditional cultural values and specificities of natural resources. Debarca is demographically an empty rural area, which has accumulated various contents of natural and anthropogenic resources (mountains, rivers, several springs, one natural and one artificial lake, a marshy, diverse vegetation, forests, hunting game and birds, old houses from different historical periods,

archaeological sites, churches, monasteries, monuments, etc.). In the course of a year, a number of village celebrations are organized, one cultural manifestation, the locals prepare a variety of gastronomic specialties, etc.

Table 2: *Overview of parameters with their quantitative value*

PARAMETER		VALUE		
		1	2	3
1	Tourist position	poor	middle	good
2	Tourist equipment	poor	average	good
3	Infrastructure equipment	poor	average	good
4	Traffic connections	poor	middle	good
5	Accessibility	poor	middle	good
6	Specificity	small	medium	large
7	Contents	poor	middle	good
8	Meaning of the area	local	regional	national
9	Seasonality	one season	two seasons	all year round
10	Degree of attendance	low	middle	high

Source: *Group of authors (2015)*

Considering the connectivity of the area, the traffic infrastructure is quite good, as almost all villages have asphalt roads. At the moment the construction of Ohrid – Kicevo highway is ongoing, and it will pass through the Municipality of Debarca. On the other hand, the number of catering facilities is insufficient, whereas accommodation capacities are still not available. However, the rural area has a sufficient number of abandoned old houses (which can be adapted to small authentic rural accommodation facilities) and new weekend houses that can be used for tourist related purposes as well.

Table 3: *Evaluation model of the tourist attractiveness of the natural / cultural resources*

PARAMETER		VALUE		
		1	2	3
1	Ambience value	low	medium	high
2	Known outside the local are	small	medium	high
3	Significant natural/cultural space	small	medium	high

4	Differs from other attractions in the area	locally	regionally	nationally
5	Tourist visitation in the region	low	medium	high

Source: *McKercher & du Cros, 2002*.

In general, out of the above mentioned 12 natural tourist resources, the Source Fountain located in the village of Velmej is dominant, and represents the must-see destination during each tourist round tour of the region, which gives it a value score of 2.5 (according to Table 2 evaluation model). The second natural object that is offered for a tourist visit is the Sini Viroj Natural Reserve or Belchisko Blato with the general value of 2.2. The other ten evaluated natural resources gained a value ranging from 1.2 up to 1.8, meaning that nothing has been done for its inclusion in tourist offer (a small exception is the Gorno Pole spring with a nice landscape, which is why it scored 1.8 points) (Table 4).

According to the other evaluation model (Table 3), the similar results were gained, as the Source Fountain was marked with 2.2 points, Sini Viroj Natural Reserve or Belchisko Blato and Lake of Trebeniste were marked with a value of 2.0, while other natural goods have a value ranging from 1.2 to 1.6, which means they are not yet attractive enough for tourists. In summary, the natural assets in Debarca region have a total average score of 1.6. This is insufficient for practicing tourism, pointing that the region is at the starting point of the development process. Therefore, there is much work to be done in order to promote the attractiveness of the natural resources of Debarca region (Table 6).

Furthermore, out of the evaluated 12 anthropogenic tourist resources, four sites stand out: Archaeological site of the Bogorodica Prechista (the Holy Virgin) - Rastani site - an ancient Christian basilica with a medieval necropolis and a monastery near the village of Zlasti; then the Monasrety of Leshani (with the church of All Saints) near the village of Leshani, and two monasteries of Orovnik (with church of St. Petka and church St. Nedela), near the village of Orovnik. All four sites gained general value of 2.7, i.e. they are perceived as well arranged for tourist visit and have conditions for staying within the monastery quarters (Table 5). Similar objects are the following three monasteries: Zlestinski manastir (Church of the Nativity of the Most Holy Virgin Mary), Brezanski manastir (church of Sts Peter and Paul) and Botunski manastir (Church of the Holy Virgin Mary) that have lodgings but are not sufficiently promoted. The

listed facilities are visited during the year and in general they are in good condition for receiving tourists.

Other anthropogenic objects are not well equipped or promoted for a tourist trip. For the promotion of the two archaeological sites, with rich archaeological findings from the ancient period onwards, the construction of a museum in the village of Trebenishte is proposed. Ethnographic and historical museum for the area of Debarca, we propose to be built in the municipality center in Belchishta.

The results of the evaluation of the tourist attractiveness of anthropogenic tourist resources (Table 7) conducted on 12 anthropogenic tourist attractions show similar findings. The four sites stand out: the archaeological site of Trebenishte's necropolis and Trebenishte's Kale, with the average value of 2.0, followed by the archaeological site of Bogorodica Prechista - the Rashtani site - an ancient Christian basilica and a medieval necropolis with a monastery near the village of Zlasti, and the Monastery of Lesani (with church of All Saints) near the village of Leshani, with a valuation score of 1.8. The first two sites have higher scores because they are well-known outside the local environment and they are considered to be important sites for ancient archeology. However, so far nothing has been done for thier tourist development and promotion. Other tourist cultural attractions have a rating between 1.2 to 1.6 points, as they are not well developed or promoted for a tourist trip.

Important elements of the intangible cultural heritage of this region are few village celebrations (St. Nicholas, St. George, St. Elijah, St. Virgin Mary, St. Petka, St. Peter and Paul, St. John the Baptist, St. Dimitrius, St. Athanasius, etc.) which are celebrated in several villages within Debarca Municipality. Religious events are reflected in the celebration of All Saints in Leshani, Petrovden in Meseista, Vodici - throwing a cross in Lake Ohrid in Orovnik and others. A cultural art colony, a poetry manifestation of Rodoslovni izvori in Mramorec and the event of Creschober in Trebenishta village is organized. Another event with ethnographic character is the ceremony of the wedding of Velmej - Wearing water from the bride - in the village of Velemej.

The rich local gastronomic treasury would highlight the culinary specialties: peppers with eggs and milk, stuffed dry peppers with cheese, peppers with leeks, stews, pops, compotes and others.

The whole area abounds with old houses of traditional rural architecture. From our research, we conclude that the best conditions for adaptation of village houses for rural tourism purposes and more care are needed in the villages: Trebenishta, Meseista, Belchishta, Novo Selo, Izdeglavje, Slatino, Arbinovo, Vrbjani, Slivovo, Velemaj and Brezani. Nevertheless, the possibility of the tourism development remains for the list of villages of this region.

The basis of the tourist round tours within Debarca region would include visits and rural tourism activities related to cultural and religious events, then active rural vacations with activities like horse and donkey riding, cycling, recreational hiking, hunting opportunities, fishing, but also eco-tourism with visits to nature reserves / monuments of nature: the site of Sini Viroj (strict nature reserve), the Lake of Trebenisko, the Sateska River and Pesocanska River (proposal for proclamation of a scientific and research nature reserve), Ilinska planina, Javorac Cave and other forms of selective types of tourism.

From the research we have learned that the tourism possibilities of the Debarca Municipality are limited and should be targeted to three basic target customer groups (young, family, and adult) with a focus on special interest segments of rural and religious tourism niches.

Table 4. *Evaluation of important natural tourist resources in Debarca; Author's calculations*

ATTRACTIVENESS	POSITION	EQUIPMENT	INFRASTRUCTURE	CONNECTIVITY	ACCESSIBILITY	SPECIFICITY	COMPATIBILITY	MEANING	SEASONALITY	VISIBILITY*	TOTAL POINTS	GENERAL VALUE
Lake of Trebenishta (Bobano), natural	1	1	1	1	1	3	1	2	1	/	12	1.3
Slatina Lake, artificial	2	1	1	2	2	2	1	2	1	/	14	1.5
Belchishko Blato or Sini Viroj (nature reserve)	2	2	2	2	2	3	2	3	2	/	20	2.2
Sateska River	1	1	1	1	1	2	1	2	1	/	11	1.2
Gorno Pole Spring - Velmej	1	1	2	2	2	2	2	2	2	/	16	1.8
Javorec Cave	1	1	1	1	1	2	1	3	2	/	13	1.4
East Fountain - Velmej	2	2	3	3	3	3	2	2	3	/	23	2.5
Ilinska planina (1909 m)	1	1	1	1	1	2	1	2	1	/	11	1.2

Plakenska planina (1999 m)	1	1	1	1	1	2	1	2	1	/	11	1.2
Karaorman planina (1794 m)	1	1	1	1	1	2	1	2	1	/	11	1.2
Slavej planina (1714 m)	1	1	1	1	1	2	1	2	1	/	11	1.2
Mazzatar (Bayrak 1635 m)	1	1	1	1	1	2	1	2	1	/	11	1.2
TOTAL	15	14	16	17	17	27	15	26	17	/	164	17.9
Average	1.2	1.1	1.3	1.4	1.4	2.2	1.2	2.1	1.4	/	13.7	1.5

* Visibility - this parameter has no numerical value due to the lack of indicators

Table 5: *Evaluation of important anthropogenic tourist resources in Debarca; Author's calculations*

ATTRACTIVENESS	POSITION	EQUIPMENT	INFRASTRUCTURE	ACCESSIBILITY	SPECIFICITY	COMPATIBILITY	MEANING	SEASONALITY	VISIBILITY*	TOTAL POINTS	GENERAL VALUE
Archaeological site of Trebenishte necropolis	1	1	1	1	3	1	3	2	/	14	1.5
Archaeological site of Trebenishko Kale (Trebenishte)	1	1	1	1	3	1	3	2	/	14	1.5
Archaeological site of Bogorodica Prechista - Rashtani (village Zlesti)	2	2	2	3	3	3	3	3	/	24	2.7
Monastery of Leshani (All Saints church)	2	2	2	3	3	3	3	3	/	24	2.7
Monastery of Brezani (Sts Peter and Paul church)	1	1	2	1	2	2	2	1	/	14	1.5
Monastery of Slatino (St. John the Baptist church)	1	1	2	2	2	2	2	1	/	15	1.7
Monastery of Botuno (the Holy Virgin Mary church)	1	1	2	2	2	2	2	1	/	15	1.7
Monastery of Vrbjani (St. Peter and Paul church)	1	1	2	1	2	2	2	1	/	14	1.5
Monastery of Mesheishta (St. Ilija church)	1	1	2	2	2	2	2	2	/	16	1.8
Monastery of Orovnik (St. Petka church)	2	2	2	3	3	3	3	3	/	24	2.7
Monastery of Orovnik (St. Nedela church)	2	2	2	3	3	3	3	3	/	24	2.7
St. Nikola's Church - Velmei	1	1	2	3	2	2	2	3	/	18	2.0
TOTAL	16	16	22	25	30	26	30	25	/	216	24.0
Average	1.3	1.3	1.8	2.1	2.5	2.2	2.5	2.1	/	18.0	2.0

Table 6: *Evaluation of important tourist attractions of natural character in Debarca; Author's calculations*

ATTRACTION	AMBIENCE	KNOWN OUTSIDE LOCAL AREA	SIGNIFICANCE	DIFFERS FROM OTHER ATTRACTIONS IN THE AREA	VISITATION	TOTAL POINTS	GENERAL VALUE
Lake of Trebenishte (Bobano), natural	3	2	2	2	1	10	2.0
Slatina Lake, artificial	2	1	2	2	1	8	1.6
Belchishko Blato or Sini Viroj (nature reserve)	3	2	2	2	1	10	2.0
Sateska River	2	1	2	2	1	8	1.6
Gorno Pole Spring - Velmey	2	1	2	2	1	8	1.6
Javorec Cave	1	1	2	2	1	7	1.4
East Fountain - Velmey	3	2	2	2	2	11	2.2
Ilinska pl. (1909 m)	2	2	2	1	1	8	1.6
Plakenska pl. (1999m)	2	1	1	2	1	7	1.4
Karaorman pl. (1794m)	2	1	1	1	1	6	1.2
Slavej pl. (1714m)	2	1	1	1	1	6	1.2
Mazzatar pl. (1635 m)	2	1	1	1	1	6	1.2
TOTAL	26	16	20	20	13	95	19.0
Average	2.2	1.3	1.7	1.7	1.1	8.0	1.6

Table 7: *Evaluation of important tourist attractions of the cultural character in Debarca; Author's calculations*

ATTRACTION	AMBIENCE	KNOWN OUTSIDE LOCAL AREA	SIGNIFICANCE	DIFFERS FROM OTHER ATTRACTIONS IN THE AREA	VISITATION	TOTAL POINTS	GENERAL VALUE
Archaeological site of Trebenishte necropolis	2	2	3	2	1	10	2.0
Archaeological site of Trebenishte Kale	2	2	3	2	1	10	2.0
Archaeological site of	2	1	2	2	2	9	1.8

Bogorodica Prechista - site Rashtani (village Zlesti)							
Monastery of Leshani	2	1	2	2	2	9	1.8
Monastery of Brezani	2	1	1	2	1	7	1.4
Monastery of Slatino	2	1	1	2	1	7	1.4
Monastery of Botuno	2	1	1	2	2	8	1.6
Monastery of Vrbjani	2	1	1	1	1	6	1.2
Monastery of Mesheishta	2	1	1	2	1	7	1.4
Monastery of Orovnik (St. Petka church)	2	1	1	2	2	8	1.6
Monastery of Orovnik (St. Nedela church)	2	1	1	2	2	8	1.6
St. Nikola's Church - Velmey	2	1	2	1	2	8	1.6
TOTAL	24	14	19	22	18	97	19.4
Average	2.0	1.2	1.6	1.8	1.5	8.1	1.6

Conclusion with recommendations

The municipality of Debarca is a geographical area that is neither explored nor comodified by tourism. Our research provides general guidance in the validation of attractiveness factors, i.e. generalizes conclusions of true potential for the development of tourism in the Municipality of Debarca:

- the Municipality has a variety of natural and anthropogenic resources that tourists do not use yet;
- the Municipality does not have the economic nor proffesional means to develop tourism;
- the Municipality has a small number of catering facilities;
- the Municipality does not have accommodation facilities;
- the Municipality has no strategy for tourism development;
- the Municipality has insufficient human resources, as it is characterised by depopulation process.

Recommendations:

- The Municipality should start developing a strategy for tourism development;
- Focus should be set on rural tourism, religious tourism and mountain tourism (with eco-tourism offer);
- Development of auxiliary strategies for selective tourism types;
- When practicing tourism, we recommend combined round tours, with visits of several natural and anthropogenic goods; we also recomend stay in traditional village houses;

- Tourism development requires the active involvement of more local, national and foreign authorities engagement, and also significant economic investments.

Opinions and attitudes of the local community considering cultural and natural heritage in their environment are very important aspects, since they create local perspective for the evaluation of possibilities to involve geographically limited territory into wider social, cultural and tourism flows. Therefore, it is very important to identify the social, political, economic and environmental implications of potential tourism development in the region, taking into account the manner in which the reaction of the local population can be taken into consideration in order to contribute to the support of the sustainable tourism development. It is essential not only to involve the community in the development process in order to gain the support for tourism industry, but also to provide community's wellbeing and sustainable development (Terzić et al., 2015).

References

1. Agency for Real Estate Cadastre: <http://gis.katastar.gov.mk/arec> (January 2019).
2. Bachleitner, R., Zins, A. H. (1999). Cultural tourism in rural communities: The resident's perspective. *Journal of Business Research*, 44(3), 199-209.
3. Bjeljic, Ž., Brankov, J., Jovičić, D., Ćurčić, N., Terzić, A. (2013). Valorization of natural and anthropogenic tourist potentials in underdeveloped regions of transition countries. *TTEM*, 8(3), 1237-1250.
4. Ćurčić, N., Bjeljic, Ž., Terzić, A., Mirković, A. (2018). Importance of tourism for sustainable rural development. *Book of proceedings of VI International scientific-practical conference "Sustainable development of tourism market: international practices and Russian experience"*, Stavropol, 26-27 April 2018, 36.
5. Dimitrov, N., Petrevska, B. (2012). Rural tourism development zones: the case of Macedonia. *Researches review of the Department of geography, tourism and hotel management*, 41, 152-162.
6. Field Research, June/August 2018.

7. Goodrich, J.N. (1997). Cultural tourism in Europe. *Journal of Travel Research*, 35(3), p. 91.
8. Group of authors (2015). *Study for the situation with potentials for development of tourism in East plan region*. University "Goce Delcev", Štip, Macedonia.
9. Hannabus, S. (1999). Postmodernism and the heritage experience. *Library Management*, 20(5), 295-302.
10. Macedonian Orthodox Church - Ohrid Archbishopric, Justiniana Prima <http://www.mpc.org.mk/MPC>; <http://www.dke.org.mk/index.php/namesnistva#sla> (January, 2019).
11. Metodijeski, D., Dimitrov, N. (2018). *Rural tourism – politics and development*. University "Goce Delcev", Štip, Macedonia.
12. McIntosh, R. W., Goeldner, C. R. (1990). *Tourism principles, practices, philoso-phies* (6th Edition). New York: John Wiley and Son.
13. McKercher, B., du Cros, H. (2002). *Cultural tourism: The partnership between tourism and cultural heritage management*. Binghamton: The Haworth Press, Inc.
14. Panov, M. (1998). *Encyclopaedia of the villages in Macedonia*, Skopje.
15. Petrevska, B., Dimitrov, N. (2013). Planning rural tourism development in Macedonia. *Journal of Process Management - New Technologies*, 1 (3), 63-68.
16. Richards, G. (Ed.) (1996). *Cultural tourism in Europe*. Oxon: CAB International.
17. Schweitzer, C. (1999). The hot ticket to cool meetings. *Association Management*, 51(8), 121-130.
18. Silberberg, T. (1995). Cultural tourism and business opportunities for museums and heritage sites. *Tourism Management*, 16(5), 361-365.

19. State Statistical Office (2005). *Census of population, Households and dwellings in the Republic of Macedonia, 2002, Book XIII*, Skopje; available at: http://www.stat.gov.mk/pdf/kniga_13.pdf (January 2019)
20. Talevski, T., Talevska, M. (2007). *Preliminary investigations of Belcista wetland "Sini Viroj" (Macedonia)*. PSI Hydrobiological Institute, Ohrid, Macedonia.
21. Terzić, A., Simeunović-Bajić, N., Jovičić, A. (2015) Community role in heritage management and sustainable tourism development - Case study of the Danube region in Serbia. *Transylvanian Review of Administrative Sciences*, Special Issue, December 2015, 183-201.
22. Vasileski, D. (1999). Hydrographic features of the Debarca valley. *Geographic Views*, 34, Skopje.
23. WTO (1985). *The states' role in protecting and promoting culture as a factor in tourism development and the proper use and exploitation of the national cultural heritage of sites and monuments for tourists*. Madrid: World Tourism Organization.

LIVESTOCK AND TOURISM DEVELOPMENT AS A CONSERVATION CONCEPT OF THE SPECIFICITY OF RURAL AREA IN THE MUNICIPALITY OF PETROVAC ON MLAVA

Cvijan Mekić¹; Milivoje Ćosić²;

Abstract

Of the total area that the municipality owns, agricultural areas represent the most valuable natural potential and it provides the conditions for a diversified agricultural production. Agricultural land occupies 74.1% of the total area, but the utilization rate is modest (30%) due to the long-term decline in livestock and the emigration of the working-age population. The tourist potentials of the municipality were not fully activated, so the tourist and catering activity maintained a relatively low share in the structure of the social product.

The rural area of the municipality represents a significant (but still unused) resource not only for conventional food production, but also for the development of sustainable organic livestock production, processing industry, forestry, water management, trade, tourism, hunting, fisheries beekeeping, etc. The analysis shows that, in the future, the development of livestock and tourism should be the backbone of the rural development of the municipality of Petrovac on Mlava.

Key Words: *Petrovac on Mlava, agricultural resources, livestock development, tourism development*

JEL classification: Z32

Introduction

The development of agriculture is influenced by a number of factors, which are usually systematized in three basic groups: natural, demographic and economic. It is very difficult to quantify the impact of individual groups of these factors, whose role and significance change in

¹ Dr Cvijan Mekić, professor: University of Belgrade, Faculty of Agriculture Belgrade, Serbia, tel: 0631064099; mail: cvijanm@agrif.bg.ac.rs

² Dr Milivoje Ćosić, Interkomerc DOO, Terazije 27, Beograd; micko-cosic@gmail.com

certain phases of socio-economic development of a particular country (Ševarlić et al., 2008).

The main characteristic of the decades-long state of agriculture in Serbia is the economic devastation and the continuous reduction of the income of agricultural producers. In varying intensity and modalities this is manifested through the extraction of surplus value from agriculture mainly for the benefit of three sectors: industry, trade and banking (Mekić & Novaković, 2012).

Food safety and quality have a decisive impact on the placement of agricultural and food products on the domestic and global market (Popović et al., 2017).

Due to this situation, domestic cattle production is in an unfavorable position. The livestock fund in Serbia is particularly impoverished, since the beginning of the 1990s, it fell from two to three percent annually, and now it reached the historical low (Mekić & Novaković, 2013).

The aim of this paper is to point out the situation, problems and prospects of development and improvement of livestock production. The opportunity of rural tourism development has been analyzed in the municipality of Petrovac na Mlavi as a specific rural area.

The geographical location of the municipality and other general characteristics important for the development of livestock production

The town of Petrovac on Mlava is located in the valley of the Mlava River, 114 km away from Belgrade. In the town, there is an important crossroad that leads towards the Morava valley and the Mlava valley towards the Danube. Petrovac on Mlava is located on one of the most important routes within the Danube Region that connects Bor, Zagubica and Petrovac on Mlava from one side, with Pozarevac and Belgrade-Niš highway, on the other side. The geographical position of the municipality of Petrovac on Mlava indicates that it belongs to a moderately continental climatic zone.

The fauna in the Mlava region does not deviate much from other areas. All kinds of wheat and corn grow here and arable land takes up an area of 33,744 hectares. This is a typical fruit-growing region that hides a huge potential for the production of high-quality fruit brandies, primarily plum brandy. The territory of the municipality of Petrovac on Mlava occupies

an area with remarkable and diverse natural characteristics that best reflect numerous springs, streams, rivers, forests, the breathtaking northwest slope of Homolje Mountains, the fertile plain of Stig and the rich valley of Mlava with beautiful landscape and soil where anything can grow. It occupies an area of 655 square kilometers where 34 settlements have 41,220 residents in 10,300 households.

Spatial organization of the Municipality was formed under the influence of natural conditions, primarily relief, geological and climatological characteristics. In the area of the town of Petrovac na Mlavi are most fertile agricultural land, settlements and industrial infrastructure.

Economic resources

During the previous millennium, the municipality of Petrovac on Mlava had the status of underdeveloped area, which identified it as a municipality with underdeveloped economic structure, incomplete infrastructure, social conditions and the unfavorable demographic tendencies.

The underlying features of the underdevelopment originate primarily from an underdeveloped economic structure. High participation in the formation of a social product has a primary sector, and significantly smaller secondary and tertiary.

Petrovac on Mlava is known in the Republic as a municipality that has a large number of residents temporarily working abroad who have investment potential. This is why small business is given great importance. Agricultural areas represent the most valuable natural potential that provides the conditions for a diversified agricultural production. Agricultural land occupies 74.1% of the total area, but the utilization rate is modest (30%) due to the long-term decline in livestock and the emigration of the working-age population. In the following period, in order to make more efficient use of further improvements, it is necessary to undertake numerous measures for land improvement. The main task will be to make more efficient use of agricultural resources, irrigation and modification of agricultural production in favor of the production of raw materials that can be processed on-site or in other factories, as well as development of fruit production, expanding orchard cultivation and increasing their yields, as well as more intensive development of livestock production and increasing yields from meadows

and pastures. Tourist potentials of the municipality are not maximally activated, and the tourism and catering industry maintained a relatively low share in the structure of GDP. The ownership structure is dominated by a private sector whose share is constantly increasing. The forests in Podhomolje are waiting for tourists to discover and visit, the river Mlava is one of the few rivers that are largely unpolluted and represents a true paradise for the developing fishing and hunting tourism. The challenge that this untouched nature provides offers the opportunity to attract lovers of rural tourism and healthy food. In the municipality area, there are significant deposits of coal, sand, gravel and small reserves of building materials.

Agricultural resources in Petrovac on Mlava

In the municipality of Petrovac on Mlavi, according to official data from the agricultural census conducted by the Statistical Office of the Republic of Serbia in 2012, 5,896 households use agricultural land. Most of them have arable land and gardens; the most commonly grown are corn for grain (4,907), followed by wheat and corn - 3,753 households. Some of the agricultural households produce alfalfa - 2,120, clover - 1,756 and oats (532 of them). Most households are family households (99.9%) and the rest are legal entities. A total of 764 households combine agriculture and livestock production (pigs and poultry), while 786 specialize in cereals, but most of them produce different combinations of crops and livestock (1,105).

Natural conditions and environment. - The municipality has a slope towards south-eastwest. The relief of the terrain as a pedogenic factor has a significant impact on agriculture in the municipality of Petrovac. The whole area can be divided into three parts:

- Relief of a river valley with an altitude of 103 m up to 160m;
- The relief is slightly stratified with an altitude of 160m up to 300m;
- Highland relief with an altitude of 300m up to 940m. River valleys in the area of the municipality of Petrovac belong to the type of narrow river valleys whose width ranges from 30 m to 2,000 m.
- There are three basic types of river valleys in the municipality:
 - very narrow valleys of torrent streams and rivers where the width ranges from 30 to 60 meters, where alluvial-deluvial soils were formed;
 - river valleys from 60 to 250 meters, where alluvial lands were formed;

- the valley of the Mlava River, with a width of 250 to 2,000 meters, in which the lower coastal and higher parts differ.

The developed hydrographic network consists of quality water, mostly preserved from pollution. Three mini reservoirs Busur, Korenica and Zdrelo have been built, the main purpose of which is to regulate torrential floods and flood protection. On the tenth kilometer from Petrovac on Mlava towards Zagubica, there is a source of thermomineral water whose temperature is 40C ° and it belongs to a group of oligomineral, sulphide homeotherms. Due to its specific physical and chemical characteristics water can be used for therapeutic purposes as an alternative treatment for chronic diseases (rheumatism, psoriasis, chronic eczema, and the consequences of trauma conditions after bone fractures).

The useful properties of irrigation water have not been used because the existing duct network has a single-purpose drainage function.

The area of Petrovac municipality is under the influence of moderate-continental climate, with pronounced seasons; the mean annual air temperature is 11.1 ° C; the coldest month is January with a mean temperature of -0.6 ° C; the hottest month is July with a mean temperature of 20.6 ° C. The area belongs to arid lands, where every year, in the period of intense vegetation, there is a lack of soil moisture. The average temperature during the vegetation period (April-September) is 17.3 ° C. This area is characterized by annual rainfall of 632.5 mm.

Meadows and pastures are quite good, especially in the mountains and its slopes. Therefore, in this region, livestock farming should be developed.

The most important natural resource of the Municipality is a land fund characterized by geomorphological homogeneity, high potential fertility and water flow. The diversity of the purpose of use and a large number of users of agricultural land is the most important factor for the development of the Municipality. The effects of future economic development will depend on the correlation of all users of agricultural land according to the manner and structure of use and according to the forms of ownership.

The territory of the municipality is 65.500 ha, agricultural land covers 72.9% (47.700 ha), while 65.80% of the population is engaged in agriculture as a main activity. Agricultural areas represent the most valuable natural potential that provides the conditions for a diversified agricultural production. They occupy 72.9% of the total area, but the

utilization rate is modest due to the long-term decline in livestock and the emigration of the working-age population. In the following period, in order to make more efficient use of further improvements, it is necessary to undertake numerous measures for land improvement.

Indicators of agricultural development

The utilized agricultural land is 28.221 ha, which makes 72.9% of the total area of Petrovac on Mlava municipality. Irrigated land takes up to 78 ha, most of which is superficial irrigation. Land drainage is done on 3,093 ha.

Growing crops. - As it was mentioned above, climate and land conditions in the territory of Petrovac on Mlava are extremely suitable for the production of fruits and grapes. 1.175 ha are orchards, of which the most prevalent are plums 733 ha, followed by apples with 132 ha, and then pears with 71 ha, cherries 44 ha, peaches 24 ha, apricots with 20 ha, while nuts and hazelnuts are planted on 95 ha, whereas berries are slightly present on only 1 ha. Vineyards are planted on 149 ha.

Livestock fund. - The municipality of Petrovac has facilities to accommodate 3,944 cattle, 4,685 pigs, 3,231 chickens and 2,225 other livestock. The number of livestock that can be reared in the municipality is 27,395. According to the 2012 census, there is 8,820, of which 4,949 are cows, followed by 64,558 pigs, of which 7,226 are sows, 19,644 sheep, 2,377 goats, 300,855 poultry which are predominantly chickens, 9,324 beehives and 58 horses. 17 agricultural farms are engaged in fishing, and the total area under the fishponds is 13,2 ha (Popović, 2014).

Cattle production is the most important branch of livestock production, and the largest number of producers raises domestic spotted cattle of Simmental type, for dual production meat and milk. Holstein breed is also present but in fewer numbers. Sheep production is retained in households that have their own pasture for summer grazing and the possibility of producing sufficient amounts of hay for the winter period. The most commonly reared breeds are Württemberg, Île-de-France and Pramenka half-breeds, mainly for the production of meat, and rarely for the production of milk.

Conditions for livestock production and quality of animal feed are favorable. The development of this industry to a large extent is

conditioned by the possibilities of product placement on domestic and foreign markets (Mekić & Novaković, 2012).

Mechanization, equipment and facilities. - Equipment and mechanization is not at enviable level, and in particular, it should be noted that a significant part of agricultural machinery has become obsolete. In the territory of the municipality of Petrovac on Mlava, according to the 2012 agricultural census, there are 1919 one-axle and 6354 two-axle tractors and 663 combines. From all of the above, it can be concluded that the agro-technical equipment of agricultural farms in the territory of the municipality of Petrovac on Mlava is not satisfactory.

In the municipality of Petrovac a large number of livestock buildings and facilities was built for the accommodation of 3,944 cattle, for accommodation 4,685 pigs, for the accommodation of 3,231 chickens and 2,225 for the accommodation of other livestock.

The structure of agricultural farms. - There are 5910 agricultural farms in the municipality of Petrovac on Malva, which process 28221 ha. 905 households use less than 1 ha, 1034 households use 1-2ha, 2021 households use 2-5ha, 1374 households use 5-10ha, 449 households use 10-20ha, 63 households use 20-30ha and 30 households use 30-50ha. Number of livestock units was 27395, of which there are 8820 cattle, 64,558 pigs, 19,644 sheep.

Production of agricultural products. - Since the land on the territory of Petrovac on Mlava municipality is not contaminated, there are very favorable conditions for the development of organic agricultural production, but this advantage is not sufficiently exploited. Most organic products are marketed on the Belgrade market. Wheat yields range from 2.65-3.46t / ha (on average 2.96t / ha), corn from 2.67-4.46t / ha, (on average 3.56t / ha) and sunflower at an average of 1.36t / ha.

Agricultural cooperatives and farmers' associations. - In the territory of Petrovac on Mlava, there are five agricultural cooperatives active: "7. Juli" Veliko Laole, "Ranovčanka" Ranovac, "Petrovac" Petrovac na Mlavi, "Dragoševo" Oreškovića and "Kamenovac" Kamenovo. There are also eight other associations that are very active: Association of beekeepers "Mlava" from Petrovac on Mlava, whose membership includes a large number of well-known beekeepers from the territory of our municipality, the Association of fruit and wine growers Petrovac on

Mlava, where there are prominent producers of wine and strong alcoholic beverages, primarily fruit brandy, Association of sheep and goat breeders, „Mlavski pastiri" Association of cattle breeders and milk producers, „Mlava", a special place among the associations is occupied by five women's associations, namely: " Violet "from Petrovac," Kalina "from Kamenovo "Stamničanke" from Stamnica "Zlatne ruke" from Kladurovo and "Starčevljanke" from Starčevo. All associations are extremely active and participate in all agricultural manifestations in the territory of this municipality, but also represent this region even beyond its borders. In the Mlava region, the cattle fund is constantly declining. Livestock breeding, as the most important branch of agriculture in Petrovac on Mlava municipality, despite favorable conditions for development in the past decades, recorded a decline in the livestock fund. The departure of the working population from the village, the lack of new knowledge and technologies, and the lack of financial resources for subsidies are main reasons for the decline. Once there were over 100,000 sheep and goats in this region, over 30,000 cattle, and now the number of livestock is far less than that of a few decades ago. Existing livestock fund, despite the unsatisfactory number of cattle in relation to the available agricultural area, is a significant development resource, provided the systematic and very intensive improvement of genetic structure, as well as technology and production organization. The intensification of livestock production and the increase in the share of this activity in the structure of total agricultural production can be ensured by encouraging the alteration of the breed composition of livestock and increasing the production of meat and milk per animal (Mekić & Novaković, 2013).

The departure of the working age population. - A large number of the working age population from the village went to the cities and abroad due to unfavorable conditions in agriculture. The practice of emigration from rural areas has been present for decades. Sometimes for economic reasons, citizens went to the countries of Western Europe, however now they more often go to Petrovac, Pozarevac and Belgrade. Difficult working and labor conditions were the cause of migration. It is necessary to look at the people needs and make an effort to create the conditions for the younger people in the villages to have the opportunity, through their work and the use of available resources, to provide for their families, and be able to live off their farms and work. Renewal of agricultural cooperatives, the establishment of associations, etc. would help agricultural producers to market their products. Young people would be

interested to stay on their land and in their villages if there were to be some security that their products would be sold at an adequate price.

Lack of knowledge and new technologies in livestock breeding. -

Agriculture, especially cattle breeding, has made great progress in terms of knowledge innovation and the creation of new technologies. Knowledge has always been a powerful weapon - one who applies it in practice is one step ahead of others. In livestock breeding it is necessary to monitor achievements and apply them in production. Livestock production is the most challenging part of agricultural production. As such, it is very sensitive, and is becoming more intense. It is necessary to perfectly balance all the factors involved in the production process. In order to make the production profitable, the genetics and production performances of today's breeds of cattle, pigs, sheep, goats and poultry should be utilized to the maximum.

Livestock breeding as the backbone of the agriculture development. -

The tradition presented in the municipality of Petrovac proves that livestock breeding is the driver for the development of agriculture. Petrovac on Mlava municipality is the leader in livestock production in the Danube-Branicevo region. According to the last census, there were 8,820 cattle, 64,558 pigs, 19,644 sheep and goats, 300,855 poultry, and 9,324 hives. One of the most important branches is the production of raw milk, and over 30,000 liters a day is redeemed.

The newly formed Association of sheep and goats breeders 'Mlavski shepherds' gave themselves the task to, not only find new members, but make a step forward in the organization of production and marketing.

There are hardworking people in the villages and natural conditions who can help this branch of animal husbandry in the near future to become the leading branch that could revitalize our villages.

Development directions and structural changes in livestock breeding

The main direction of development in livestock production, in the near future, should be concentrated in towards the elimination of animal origin product deficits, and towards the increase of consumption per citizen, as well as towards the increase of export. Livestock products have high exporting potential. (Mekić & Novaković, 2018)

Directions for developing livestock production should be as follows: realization of cattle breeding technology, improvement of genetic characteristics of cattle, improvement of dairy cattle types, meat production types, and improvement of nutrition conditions, better use of pasture, greater share of quality fodder, care and health care, economic incentives adapted to the length of the biological cycle, and the speed of capital turnover. Based on this increase of the final weight of the fattened cattle (480-550 kg).

It is estimated that in the next 5-7 years, the production of beef can be increased by about 150 thousand tons (370 thousand tons of cattle), and by 2030 to about 180 thousand tons (720 thousand cattle) if the above guidelines are followed. Based on this, beef meat, especially high-quality baby beef, can again become one of the leading export products in the current and new markets.

It is estimated that the average milk yield of cows (with the increase in the existing number and the change in racial composition) will increase to about 4000 liters, and in these conditions the total production of raw milk can reach 1920 billion liters. In addition, production of about 200 million liters of sheep and goat milk is expected. The production of sheep meat, mutton as dominant type of meat, could reach about 45,000 tonnes if the increase in the number of sheep and the improvement of the genetic features, as well as improvement of nutrition and care, were to be implemented.

Development concept of the cattle breeding and sheep farming

Genetic improvement of cattle breeding: given the ecological conditions and natural potentials in the analyzed area, cattle for combined production, milk-meat or meat-milk should be reared, especially domestic spotted in the Simmental type (Mekić et al. 2011).

Consumption of animal origin products per resident is on a steady increase. This refers primarily to meat and milk, and therefore a further increase in their production can be expected Mekić et al. (2018).

In extensive and semi-intensive conditions, the production of meat-milk would be developed, and in intensive milk-meat production will be developed.

Domestic spotted cattle would be improved with selection and crossbreeding. Breeders of domestic spotted cattle that follow the direction meat-milk would be manufacturers of high quality calves which would be used as fattening cattle that have higher final weight.

Farmers who have better breeding conditions would be directed towards the milk-meat production and they would be producing milk for markets as well as calves and cattle. They would rear a large number of cows where selection would go towards higher milk yield (Mekić & Novaković, 2018).

The basis of the breeding operation must be controlled reproduction. Therefore, it is necessary, first and foremost, to undertake all necessary measures in the field of artificial insemination of cows (A.I.) in order to improve the work of this service, because without addressing this issue, the improved goals in terms of improving production cannot be realized.

Cattle production requires state support over a longer period of time for these measures effects to be felt.

Improvement of sheep production: The main orientation is towards the intensive sheep production, second towards production of large quantities of high-quality lamb meat per ewe in one year and the period of use, providing large quantities of milk, and the on the third place comes the improvement of wool yield and quality.

In the future it is necessary to take specific measures to improve the sheep production:

- To increase the number of sheep,
- To genetically improve the production traits,
- To increase fertility,
- To reduce lambing intervals,
- To provide high quality animal food.

Since sheep production is found in individual agricultural producers, sample farms with 100-300 breeding sheep should be formed, i.e. commodity producers of meat, milk and wool. Professional services would give special attention to these farms.

Genetic improvement and sheep breeding program. - According to the Breeding Selection Program (Breeding Target and Genetic Improvement

Strategy, 2014), it is defined that the improvement of genetic capacity and the change of racial composition of sheep in R. Serbia should be realized as above all: 1) cultivation of domestic strains of pramenka in a pure race for the conservation of genetic resources; 2) by changing the hereditary basis of a certain number of pramenka sheep - by creating new established populations and types; 3) by directing and upgrading the desired characteristics of the existing groups of mules within the defined breeding programs. In this sense, the concept of genetic improvement of sheep in the territory of the Municipality of Petrovac on Mlava (in the shortened scope) would be the following: it is necessary to create a new population (more productive) of the lighter type for dual direction meat-wool production, while keeping milk production at the level of superior sheep from the mother's genetic base.

Within the genetic concept, combination crossing should be used. For the maternal basis, selective herds of autochthonous Svrlijska pramenka would be used, and as a father's race type of merino, such as the Württemberg race, would be used.

The ultimate goal of this paper is to create a programmed population with a certain combination of genes, production and traits: body weight of adult sheep 50-55 kg; rams 70-90 kg; yield of unwashed wool per sheep 3.0-3.5 kg; per ram 4.0-5.0 kg; Diameter of fibers 25-29 micrometers; length of bead 10-12 cm; fertility 120%; milk yield in lactation 80-90 kg; solid constitution and good health. The breeding conditions would in any case have to be improved in relation to the traditional breeding of the pramenka, which is now present (poor accommodation, poor and inadequate nutrition).

Development of organic livestock production

Due to the distance from large city centers and limited financial resources of individual agricultural producers in the territory of the municipality, there was no high level of pollution of soil, water and air. That is why this area provides good conditions for the production of healthy food.

However, still a small number of primary agricultural producers have certificates for Global and G.A.P., organic production and products with a geographical origin (Popović et al. 2017).

An increasing number of consumers require food to be biologically as valuable and more natural effect the production of organic livestock. Organic farming, which is synonymous for ecological farming and biological agriculture, is not a new agricultural activity, (Kovačević et al., 1997). Agriculture in mountainous areas is very close to organic farming. A large part of the agricultural land in our country can be immediately certified without a conversion period. Organic production in animal husbandry means that health problems are addressed mainly through preventive care.

Beekeeping

In addition to the listed branches of agriculture, the development of beekeeping also takes a significant place.

Fishing is a great potential of Petrovac on Mlava municipality

The municipality of Petrovac on Mlava is a region of diverse natural resources, rich in numerous sources of clean water. Potential for fish breeding in the municipality of Petrovac on Mlavi exists, but is little exploited. The Californian trout is the most prevalent in the municipality. Along the Mlava River, there is a pond with a restaurant, where the production of the Californian trout of the Marinkic family takes place. This is a true example of how all can be produced in one place and then marketed through a restaurant and fresh fish sale to the local population.

Tourism

The concept of sustainable development gets its application in the tourism market. Ecotourism as a modern form of tourism with special requirements, and it is becoming an increasingly important segment of the overall tourism development of many countries at the beginning of the 21st century (Milenković & Bošković, 2012).

Tourism is important for the local and national economy, because it generates income, (Štrbac & Hamović, 2011). The word tourism originates from the English word "tour" which means in the Oxford dictionary: pleasure from the trip. A tourist is a person who takes such a trip (Pejanović & Vujović 2008).

Petrovac on Mlava municipality with its rich, diverse and attractive natural and anthropogenic tourism potential represents a potentially interesting micro-region of eastern Serbia, whose values have become increasingly important in the tourist map of Serbia in recent years. Very favorable tourist geographical position, interesting topographic physiognomy, climatic specificities, diversity of hydrographic objects, wild plant cover, but also rich cultural and historical heritage (eg. Belovode archaeological site). These elements give the potential for development and entry into the tourist market of our country (Miljković & Marković, 1985).

Special attention is paid to the affirmation of spa, excursion, transit and hunting, but according to previous indicators the emphasis should be on the development of rural tourism. The archaeological site "Belovode" is a settlement of the Vinca culture that existed on the territory of the central Balkans during the second half of the VI and the first half of the V millennium of the old era (roughly 5500-4,500BC years old).

In this region there are also monasteries, works of great and modest people in search of the exalted beauty of the Kosovo Decani, such are the monasteries Gornjak, Vitovnica, Sv. Trojica in Zdrelo and Reškovica in the same under Homolje area, which, however, is still under construction.

Spa tourism

Recreational catering center "Ždrelo", popular "Banja Ždrelo" is located at a place where the fertile Stiška plain runs through Gornjačka gorge in a miraculous way and rises to the Homolje Mountains. It is located on the 11th kilometer of Petrovac on Mlava – Zagubica road at the foot of the two dominant Homolje peaks Vukan and Ježevac.

During the research of coal deposits in the area in 1986 from the borehole broke out a strong stream of thermal mineral water whose surface temperature was about 40 ° C. The water comes from a depth of 180 meters where the temperature exceeds 80°C. As it passes through the cold layers of the soil on the surface it reaches and retains a constant temperature of 40°C during winter and summer periods.

Thanks to its exceptional chemical composition, this water is successfully used in the treatment of skin diseases, eczema, fungal diseases, psoriasis, healing wounds, and after bathing in this water, the skin becomes softer

and tighter. Cooled water can be drunk and helps with gastritis. The center has open and closed pools, aqua park with warm water, wellness center, massage salons with healing mud, sea water, jacuzzi baths, saunas, solarium, hotel and other amenities. Aqua park is unique in Serbia because it can be used both in summer and in winter.

Hunting tourism

Climatic conditions - moderate continental climate favours the development of wildlife, as well as other natural conditions, and above all unpolluted water and pastures, meadows, forests etc. Hunting terrain is mainly of hilly plain character and hunting is possible for short legged hounds and dogs: birdcatchers, terriers and others. While in the villages over 500 meters above sea level is more suitable for long-legged hounds: Balkan hound, posavac hound, etc. On the territory of the municipality, on an area of over 65,000 ha there are two hunting grounds: Trest and Krilaš, and each has a separate reserve of about 20% of the area. From big game there are Roe deer and wild boars, while from small game there are rabbits, pheasant, partridge, wild duck, quail and etc. By promoting hunting the total tourist offer will be increased and tourism potential will be maximized.

Republic Hunting Event "Hunting for copper fox" in Kamenovo, "Hunting wild boar" in places: Melnica, Stamnica and Vitovnica, "Roe deer hunting" in Ranovac and others, are unique in Serbia and at the very top in their character. Each of the mentioned events gathers up to 500 hunters from nearby and further surroundings, and visitors come from Montenegro and Republika Srpska (Prentović et al., 2016).

Village tourism

In order to rest from a rather unnatural life in cities, people have the need to spend at least ten days a year in cleaner conditions and they are doing it all the more. Petrovac na Mlavi municipality develops this type of tourism, with the development of initial bases and projects. It offers enticing offer of residence in this region, villages and mountains, in the complexes of environmentally healthy old houses, cottages and farmsteads in Podhomolje. For this reason, the municipality sees this type of tourism in the upcoming period as one of the greatest opportunities for its development. The households that should be mentioned are:

Simonović, Jenić, Novaković and Marinkić from Ždrela, Milenković and Ilić from Mali Laole as the bearers of this type of tourism.

A special attraction is the ethno village of Bistrica, which is located next to the regional road connecting the center of Braničevo district with Žagubica and Bor.

Excursion sites: Gornjačka gorge and Trest

Downstream from conflux where Krupa River enters Mlava, this river forms an epigony that forms the Gornjačka gorge, 16 km long. The gorge is located in the territory of the municipalities of Petrovac on Mlava and Žagubica. Otherwise, these two municipalities have exceptional cooperation in all segments, which is very important for the development of tourism in this region. Entrance to the gorge from the fertile plain of Mlava fascinates travelers. The mountain ranges of Vukan (825 m) and Jezevac (675 m) are bending over the river, in the shape of "bird in flight with wings spread," and the poet says that those are the doors of Homolje. The entrance to Homolje "oversees" the remains of the guard towers which are there since the Roman era.

Mountain climbing

The Homolje region is rich in natural beauties and cultural sights. The area is extremely beautiful and raw; some of the climbs are a real challenge. The Karst landscape is decorated with numerous caves, sinkholes and unusual springs, it is a meeting with the wild and untouched nature. The mountains are covered with oak and beech forest. Homolje region is located so that it can be accessed from all Homolje villages. Infrastructure and traffic capacities are solid. Homolje represents a unique tourism potential that is still insufficiently explored and exploited.

Catering

The importance of the gastronomic segment in the tourist offer is growing in the market. The basic of the gastronomic offer of a particular area is the production of specialties in the traditional way. One of the main motives for making a decision for a specific destination is the gastronomic offer of the area. Local and regional specialties certainly contribute significantly to the tourist offer. There is also the offer of traditional specialties, and there are many of them in the Petrovac area: ćuš, plašinte, žumjare,

čulama, kolješ, etc. The real specialty is young Homolje lamb, Vlaški cheese, trout and other. The catering in the municipality is still not developed enough to follow the potentials of tourism development.

Conclusion

The above mentioned directions of regional development of the municipality Petrovac on Mlava can provide a greater degree of functional integration of geographic space by defining priority activities and solving current development problems.

The realization of the proposal for the development of livestock and tourism in the municipality is a long-term process and cannot be carried out on a one-off basis with individual activities, but it is necessary to recognize the priorities through the cooperation of the local authorities and the community, in order to attend to development problems and solve them in stages.

With the advancement of livestock production (which is nowadays at a low level), it is legitimate to use the existing, unused natural resources to increase the production volume, and especially to increase and improve sustainable agricultural production - organic livestock production. Therefore, the possibilities of organic food production, the creation of a brand of products with known geographical origin, the existing rural authentic accommodation capacities, and the development of rural ecotourism are the chance of the analyzed region that has to be used.

References

1. Kovačević, D., Oljača, S., Oljača, M., Bročić, Z., Ružić, L., Vesković, M., Jovanović, Z. (1997). Savremeni sistemi zemljoradnje. Korišćenje i mogućnosti za očuvnje zemljišta u konceptu održive poljoprivrede (plenarni referat). *IX kongres JDPZ, Uređenje, korišćenje i očuvanje zemljišta*, Novi Sad, str. 101-113.
2. Mekić, C., Novaković, Z. (2012). Mogućnosti razvoja stočarstva u funkciji preduzetništva i turizma u opštini Crna Trava. Mediteranski dani, Trebinje. *VII naučni skup sa međunarodnim učešćem "Turizam: Izazovi i mogućnosti"*, Trebinje, 20-22 septembra 2012. Tematski zbornik radova, Ekonomski institut, Beograd (135-143) ISBN:978-86-7329-096-6.

3. Mekić, C., Novaković, Z. (2013). Development of the Animal Husbandry as Concept of Preservation of the Sjenica Municipality Rural Area. *International Scientific Conference "Sustainable Agriculture and Rural Development in Terms of the Republics of Serbia Strategic Goals Realization Within the Danube Region"* (Thematic Proceedings), December, 5-7th 2013, Hotel "Oplenac", Topola-Serbia, str. 903-920, ISBN 978-86-6269-026-5.
4. Mekić, C., Novaković, Z. (2018). Development of animal husbandry and tourism as concept of homolje rural progression. 3rd International scientific conference, 31 May-2 June. *Tourism in function of development of the republic of Serbia*. University of Kragujevac, Faculty of hotel management and tourism in Vrnjačka Banja, 591-608.
5. Mekić, C., Perišić, P., Trifunović, G., Ćosić, M. (2018). Proizvodnja kozjeg mleka i faktori koji na nju utiču. *Prvi domaći naučno stručni skup -Održiva primarna poljoprivredna proizvodnja u Srbiji – Stanje, mogućnosti, ograničenja i šanse, Zbornik radova ekološka poljoprivrede*, Fakultet za biofarming, Bačka Topola, 226-233. ISBN 978-86-7747-595-6, COBISS.SR-ID 268761356
6. Mekić, C., Trifunović, G., Hristov, S., Novaković, Z. (2011). Stanje i mogućnosti razvoja stočarstva i turizma na prostoru peštarske visoravni. *VI međunarodni naučni skup, Mediteranski dani – Turizam i ruralni razvoj*. Tematski zbornik, ISBN 978-99955-6642051, str. 331-339. Trebinje.
7. Milenković S., Bošković N. (2012). Razvojne tendencije ekoturizma Srbije. *Teme*, 36(2), Niš, 483-99.
8. Miljković Lj., Marković S. (1985): Turistička valorizacija prirodnih potencijala Homolja. *Zbornik radova Prirodno-matematičkog fakulteta*, Novi Sad, vol.15, pp.133-154.
9. Pejanović, R., Vujović, S. (2008). Ruralni razvoj i agroturizam. *Agroekonomika*, br. 37-38, vol. 37-38, str. 5-14, UDK: 338.43; YU ISSN 0350-5928, Novi Sad.
10. Popović, R. (2014). Popis poljoprivrede 2012. *Stočarstvo u Republici Srbiji*. Republički zavod za statistiku. ISBN 978-86-6161-132-2.

11. Popović, V., Vuković, P., Ćosić, M. (2017). Food safety and quality policy in the republic of Serbia. *Economics of Agriculture* 4/2017. UDC: 32:641.1.+338.439.544 (497.11), 1607-1617.
12. Prentović R., Živković B., Cvijanović D. (2016): Lovni turizam u funkciji ruralnog razvoja Homolja. *Ekonomika poljoprivrede* 63(1): 71-87.
13. Ševarlić, M., Tomić, D., Bugarin, Đ. (2008). Kritički osvrt na prilagođavanje agrarne politike ZAP-a. *Tematski zbornik Agrarna i ruralna politika u Srbiji*, (2) DEAS, Beograd, str. 9-18.
14. Strategija poljoprivrede i ruralnog razvoja Republike Srbije za period 2014-2024. Službeni glasnik Republike Srbije, br. 85, 2014.
15. Štrbac M., Hamović V. (2011): Ekonomski efekti ekoturizma. *Ekonomika poljoprivrede* 58(2): 835-46.

AGROTOURISM AS A FACTOR OF RURAL DEVELOPMENT OF SIRINIĆ DISTRICT IN KOSOVO AND METOHİJA

Goran Maksimović¹; Božidar Milošević²;

Abstract

The authors analyze the current problem from the economic point of view of the rural development of the Sirinić District and the importance of agro-tourism financing. The authors' hypothesis is that agro-tourism directs the entire agrocomplex towards the sustainable development of this Serbian enclave. The term agro-tourism points to the inextricable interdependence between agriculture and tourism, thus it is therefore necessary to solve the problems of financing agricultural farms in the Serbian enclave Sirinić District in Kosovo and Metohija.

The authors specifically conceive the place of agro-tourism in the concept of rural development, as well as the place of agro-tourism in the concept of economic development. Also considered in the paper is the link between agro-tourism and regional development. The economic effects of agro-tourism are particularly emphasized. Financial resources are one of the biggest restrictions in the development of agro-tourism, lack of accommodation capacities, accompanying equipment and catering facilities, as well as promotion of the sale of rural tourism products to the population of central Serbia.

Key Words: *agriculture, agro-tourism, rural development, economic effects*

JEL classification: *M21, L83, Q18*

¹ Goran Maksimović Ph.D., Associate Professor, University of Priština, Faculty of Agriculture, Kopaonicka Street nn, 38219, Lešak, Serbia, phone: +381 63 419 757, e-mail: goran.maksimovic@pr.ac.rs

² Božidar Milošević Ph. D., Full Professor, University of Priština, Faculty of Agriculture, Kopaonicka Street nn, 38219, Lešak, Serbia, phone: +381 64 150 5273. e-mail: bozidar.milosevic@pr.ac.rs

Introduction

Agriculture in the rural area is an important factor in the development of rural agro-tourism. In rural areas, it enables the development of all forms of tourism, while in urban forms of tourism, agriculture is an important economic activity that supplies food and drink to tourist objects and tourists. The development of agriculture in a certain area depends on a number of assumptions, and distinguished in particular are:

- The existence of agricultural land,
- Favorable climatic, pedological and other conditions for the development of agriculture,
- Favorable market-economic environment.

The Sirinić District (Municipality of Štrpce) extends over an area of 250 km² with one urban and fifteen rural settlements. It represents a mountainous area with a specific jagged area and an altitude range of 900 m in the Lepenac river valley, up to 2500 m at the highest peak of Ljuboten. One of the five national parks the Šar Mountains is located in the Sirinić District, founded in 1986, on an area of 22,805 hectares. The National Park was established for the purpose of preserving: forest and highland vegetation and their habitats and populations of wild flora and fauna, especially rich fauna of the butterflies, birds (gray fox, wood grouse, grey partridge deer, crane, Balkan horned lark), mammals (snow and dinar marten, brown bear, wolf, chamois, etc.); a region with a number of characteristic features.

The Šar Mountain National Park is a cradle of Serbian spirituality, statehood and history. There are 45 cultural heritage sites in this area, among which there are 14 categorized cultural goods of exceptional significance built in the period from 12th to 16th century. There are hermitages and the Monastery of St. Peter Koriški from the 13th century, the church of St. Petka from the 14th century, the church of St. Virgin of Odigitrija from the 14th century, the monastery of Holy Trinity from the 15th century, the remains of Dušan's town and monastery complex St. Archangels from the 14th century near Prizren, and other monuments of culture of greatest national importance (Cvijanović & Ružić, 2017).

The altitude and climatic conditions indicate that the area of the Sirinić District is extremely favorable for the development of livestock, fruit and vegetation. In the structure of agricultural land, the Sirinić District is

dominated by pastures with 38.8% and meadows with 25% which indicates that this area is extremely suitable for the development of livestock breeding, in particular sheep farming and goat breeding. By putting into operation the existing cheese factories as well as organized supply of the population to mother flocks of sheep and goats, preconditions for the production of high quality dairy products will be created, the possibility of creating a brand of the Šar mountain cheese known for its quality throughout the old Yugoslavia. There are also conditions for the development of fruit and, above all, berry fruit, since the agroecological conditions of the Sirinić District enable excellent raspberry quality and high yield per unit area. Raising plantations at several locations would affect the employment of the population (Maksimović et al., 2015).

The organic production in Serbian enclaves in Kosovo has a great potential based on the extensive production mostly in hilly – mountainous areas with rich and convenient environment for the organic production of medicinal plants, fruits, vegetables, wine, honey etc., but it still keeps developing. The enclave can realise a high income, and thereby also an economic basis for the sustainable development of multifunctional agricultural holdings in Serbian enclaves, by the production and sale of organic products on local markets. (Maksimović et al., 2017).

From the above mentioned data it can be concluded that the Serbian enclave Sirinić District has enough agricultural land and a sufficient number of agricultural holdings that have their own land; which are two important preconditions that are necessary in the development of agro-tourism in the rural area.

From the aspect of healthy nutrition and healthy natural environment, i.e. the primal life needs, through the health of people, it can be said that tourism is dependent on agriculture, although on the other hand it directly or indirectly stimulates the prosperity of agriculture.

The very term "agro-tourism" refers to the inseparable interdependence of tourism and agriculture, regardless of whether it is organized through a monofunctional or profit model. The sole meaning of the term "agro-tourism" can be interpreted in many ways. It can be said that agro-tourism represents a form of tourism focused on essential issues, healthy food for the tourists and staying in a healthy environment, through integral

development of agriculture, taking into account the aspects of sustainability.

The multifunctionality and integral development of agriculture on the one, and the heterogeneity of demands or desires on the other hand (tourism side), with the implementation of the principles of anthropocentrism and ecocentrism, make their connection very complex.

An interdisciplinary analysis of the interdependence of these two activities (more tourism from agriculture) profiles agro-tourism as a citadel of total tourism, which has a base in agriculture. Agro-tourism directs the entire agro complex to sustainable development, the production of healthy food and its placement on the market. It does not encourage and support only the orientation of tourism activities to the original meaning of the concept of agro, but to sustainable integral development with primary agriculture in the headquarters. Indirectly through the concept of integral development of agriculture, tourism is faced with a series of activities related to agribusiness (Pejanović et al., 2015).

Compatibility and integrativity of the cultural and health values required by the units (tourists, visitors) make it an axiom of supply and healthy rural areas with an organized offer. Furthermore, the compatibility and integrativity of the natural and anthropogenic values of rural areas and tourism with all its specificities (tourist demand, motives, needs, preferences, indifference, experience, etc.) point to the necessity of calculating all functions of tourism, primarily the social and economic ones. (Pejanović, 2013)

Agenda 2000 is the most important reform document of the Common Agricultural Policy (CAP) of the EU, which reformed the former agricultural policy in rural development policy (Milošević et al., 2010). This document presents a new European perspective on the future of rural development. In this way, the European concept of multifunctional agriculture has been promoted in the EU. Multifunctional agriculture means actions that are not focused solely on increasing production and farming, but also on the other benefits of rural life, such as:

1) the benefit of preserving the environment (biodiversity, flood protection, erosion, conservation of natural landscapes); 2) the benefit of ensuring food security in rural areas; 3) development of rural areas

(securing employment and linking agriculture with other sectors); 4) socio-economic benefits (preservation of traditional rural values, cultural heritage, promotion of traditional gastronomy, etc.) It is namely the transition from agriculture for production to agriculture for protection.

Multifunctionality is a key word for the new agrarian and rural policy of the EU, which is often associated with the syntagm rural development. Agricultural activities in this context are not only related to the cultivation of the country and food production, but also to the management of the environment, as well as the provision of services to the local community and the whole society. In its basic sense this is not a new concept, since agriculture has previously had a multifunctional role in economic development, but conditions have changed quite a lot today.

The approach to interpreting multifunctionality is based on numerous functions of agriculture not only in the production process, but also on other functions that originate from it and which are entrusted to it by society. Namely, during the last decades, numerous entrepreneurs who started agricultural activity appeared in developed European countries, and gradually introduced new profitable non-agricultural activities. There are numerous examples of such rural entrepreneurship that show that the concept of multiculturalism is strictly linked to the presence of agricultural and non-agricultural activities within the same farm, where there is a common use of the same resources. In this case, the multifunctionality of agriculture represents much more than the possibility of additional income. In essence, it is about a new organizational form of entrepreneurship that connects (association) agricultural production with other activities such as: tourism, food industry, trade, production and service crafts, various types of cooperatives, education, services, culture, health, landscape conservation and environment renting of land and houses for housing and other profitable activities. In doing so, rural entrepreneurship does not have to be located only in rural areas (primary rural settlements, village centers or village community centers), but also applies to and close to larger urban settlements, where there is a potential demand for agro-food products, as well as for activities which include recreation, rehabilitation or care of victims of social pathology of urban areas (Pejanović & Vujović, 2008).

Multifunctional agriculture opens the way for the development of villages, as well as small agricultural and family farms, as well as for the development of the hilly mountain area of the Sirinić District.

Rural tourism, as part of a tourist offer, has multiple significance for the integral development of agro-tourism and villages. In the villages, modern houses were built that with other amenities, ambience and ecological food provide the conditions for the development of rural tourism. The WTO World Tourism Organization defined objectives, development strategy, organization, marketing and investment in rural tourism development. The tasks of development of rural tourism are based on the following facts:

- Rural tourism enables the creation of income and jobs;
- Environmental protection should be regulated in order to develop rural tourism;
- Rural tourism revives vital existing roles in the village and quality of life;
- Rural tourism preserves the cultural heritage of the countryside, and
- Affirms the market economy.

The vision of rural tourism is based on the principles of alternative mass market tourism, a sustainable approach to economic development, a common strategy for planning partnerships between the private and public sectors, the harmonization of standards in tourism, the balance between the strengths of progress and stagnation and employment. The strategic principles of rural tourism are:

- Good organization and cooperation;
- Connectivity and network of cooperation among rural tourism participants;
- Legal access to the natural and cultural advantages of destinations, and
- Group enterprises in the village to build a critical mass of facilities.

An efficient organization of rural tourism includes municipal organizations, providers of accommodation services, other providers of tourist services and local-regional administration. It is responsible for determining the vision and strategy, organizing and maintaining a classification system, marketing rural tourism by fields, providing rural tourism service providers, sharing experiences, training, financing and lobbying with government and other, non-governmental organizations.

Training and maintenance are key conditions for the development of a rural tourism and include instructor training, training for rural service providers (consumer care), foreign language skills, standardization of

products, understanding of partner needs, product knowledge, marketing basics and internet training of officials in local administration. In addition to investments, it is necessary to invest in human resources. Legal regulation of environmental protection and legal regulations for the development of rural tourism (agro-tourism) is important. Farmers are good hosts and are ready to accept and host tourists.

A modern marketing concept is needed in the presentation of the offer in the village with all the contents and the competitive price of stay, with the addition of all sanitary measures. An integrated link between tourism and agriculture is based on satisfying the needs contained in a broad list of tourist spending, creating the possibility of better and more complete use of the workforce in the rural environment and the dynamism of the development of rural areas. With the development of tourism and improving the quality of services, the share of agrarian and final products in the value of catering services is increasing.

Tourism through the valorization of attractive rural landscapes is an important factor in the development of underdeveloped areas, additional occupations and additional income of the rural population. It improves the production and quality of products, affects the demand, and changes the culture of life in the countryside; in the economic sphere, tourists are supplied with food, employment increases, conditions for the development of the village are created, and the standard of living of the partner is growing. From the social aspect, agro-tourism is the defense of the migration of the Serbian population from the Sirinić district to central Serbia.

Tourism affects the spatial and urban development of the village, the increase of the educational level of the rural population and the politicization of the village. Tourism, from the aspect of consumption, affects the development of agrarian production, employment in agriculture and the rural environment, living and working conditions in the countryside. The village is included in the tourist offer through a holiday in a rural environment with the inclusion of households in tourist services, hunting tourism with accommodation services, food, fishing with accompanying services, organization of tourist events from the area of agrar-harvest, sightseeing, events.

There is a direct demand of the tourism industry for agricultural products and processed products, which affects the volume, type and quality of the

produce and the higher income of the farmers. In short, tourism is a major consumer of agricultural products and affects the stable development of agriculture. Tourism is also an additional activity of agrars through land leasing for the construction of buildings, additional employment in tourism, provision of accommodation and food in the countryside. Tourism affects the quality of life in the countryside. The effects of rural tourism are relevant from the aspect of the overall development of the village, additional income, employment and general cultural life, development of service activities and domestic craftsmanship.

The development of rural tourism requires significant investments in facilities and equipment, infrastructure, sports facilities. Rural, spa, mountain, health, sport and transit tourism have a perspective and a significant impact on the development of organic food production, higher income, better quality of life and development. In the field of rural development, along with the rural (countryside) tourism it is necessary to develop ecotourism (valorization of ecological values of the area), agro-tourism (participation in agriculture and food), agrobiotourism (organic food, education, food, rest), recreational, health and educational tourism.

The key factors of the impact of tourism on agriculture are: in the production tourism is an additional activity to agro-production, and then it is a market for agrarian products and a factor of development trends in agrarian sector, strengthening the economic basis of development and standards in the countryside.

In the non-economic area tourism is a factor in stopping migration; it affects raising the educational and cultural level in the countryside, urbanization and farmerization (Pejanović, 2013).

Agro-tourism in the concept of economic, regional and economic development

Agro-tourism is therefore a part of the concept of multifunctional agriculture, that is, broadly speaking, the concept of integral rural development. Agro-tourism is, above all, part of a tourist activity, which encompasses the totality of relationships and travel related activities and the temporary stay of people outside their place of residence, for recreation, leisure, etc. Tourism can be: summer-holiday tourism, rural, hunting, health, entertainment, cultural, sports, excursion, residential; seasonal and off-season; domestic, foreign and border; individual and

collective, and so on. Tourism is important for the local and national economy, because it generates income from tourists.

The development of tourism (and agro-tourism) leads to the rapid improvement of all related activities (transport, industry, agriculture, utilities, cultural institutions, local crafts, catering). By forming clusters, as the broadest functional-market and spatial units of tourism in the Serbian enclave Sirinić District, organizational simplification of regional touristic brands will be achieved by emphasizing commonly known geographical concepts, differentiated positioning of clusters on the market, more efficient action on attractiveness, marketing, productivity and destination management (Maksimović et al., 2015).

The strategy envisaged for the distribution of characteristic clusters in the Republic of Serbia is not based on the administrative and management boundaries that currently exist within the country, but above all on rational impulses in different forms of experience economics that can develop in some parts of the country (Cvijanović et al., 2018).

By improving and developing clusters and their activities, the goals of cluster members, agricultural producers, suppliers, and other entrepreneurs and institutions from the enclaves are realized, which unite resources and thus create and increase competitive abilities in the market. Clustered they are trying to compensate for what they lack, which are human resources, finances (access to favorable credit sources) and the ability to realize joint investments, raw materials, new knowledge, technologies.

The broader economic, social and general social interests of the Serbian community are being realized from increasing employment in rural areas, stimulating young people to stay in Kosovo and Metohija, increasing productivity and improving agricultural production and preserving the environment, as well as other aspects in rural areas (Živković & Maksimović, 2018).

Tourism is particularly important for the employment of the population, therefore, all countries, especially those that have favorable natural conditions (such as Serbia); establish special organizations (educational, tourist, etc.) and agencies that care about tourism improvement. Continuously followed are tourist demand, tourist offer, tourist policy, scientific research and testing of the tourist market are conducted, for the

purpose of continuous improvement of tourism, forecasting of trends and realistic expectations. We will, in short, address the basic issues of (agro) tourism. A tourist destination is a defined spatial unit that has the capacity to accommodate tourists, but also an attractive power for them. The content of each tourist destination should be adapted as much as possible to the needs and requests of tourists for usable and aesthetic values.

Creating the offer of a tourist destination starts from looking at and analyzing the advantages and disadvantages of each destination, which is also a job for our manager of agro-tourism. Consideration of the natural attractions of the Sirinić District such as: rural surroundings, rivers, springs, caves, mountains, climate, diversity of flora and fauna, enable the evaluation of the advantages and disadvantages of the tourist destination. Tourist destinations have, in particular, their cultural, natural, demographic, economic and architectural specifics. The attractiveness of particular destinations depends, however, on the social potentials for the development of the tourism, such as life, customs, folklore, as well as the development and stability of the economy, culture, science, sports and education.

Tourist goods consist primarily of tourist services that include different types of goods and specific goods of one country, made up of ecologically preserved nature, cultural and historical heritage, security of political and socio - economic system, infrastructure (roads, catering, trade, crafts, health, travel agencies, utilities, science, etc.), which create conditions for the settlement of tourist demand. Most segments of the tourist offer are non-transferable, inexhaustible and unprofitable and only in tourism do they get market valorization (e.g. climate, nature, cultural heritage).

Tourist demand is the quantity of tourist goods, services and goods that tourists tend to accept at a certain price level. The basis for defining tourism demand is a combination of tourist needs for traveling, leisure, getting to know new places, people and communication. Converting the need for real tourist demand is only possible when it is completed with the effective purchasing power of the population as a crucial presumption of inclusion in the tourism market.

The basic characteristics of tourist demand are: seasonal character and high level of its elasticity, the causes of which are often non-economic. From the economic point of view, demand depends mostly on: the available income of the individual and the household, the price of tourist

services, tourist marketing, as well as on individual reasons, i.e. the desire and preferences of the man, satisfaction and fulfillment of expectations, etc. The tourist market is, therefore, a special area for whose knowledge, monitoring and analysis a special profession is needed, for example, a manager of agro-tourism and rural development. It is a market of a special type (*sui generis*) not by its constituent elements (entities, supply, demand, exchange objects - services and prices), but in the interrelation of these elements, which result in numerous specificities (e.g., highly heterogeneous demand, its pronounced elasticity on changes in prices, income and promotion, mobility, expressed heterogeneity of supply and its stiffness, seasonal character of business, and other characteristics: matching process and consumption, inability to store, selling of products in advance, and so on).

Tourism marketing is a significant activity within the tourist market. The task of marketing in tourism, which is gaining in importance, is to create and maintain the competitive advantages of tourism companies, organizations, agencies, and tourism as an economic branch. Starting from the economic and then social significance of tourism, the state in developed countries strives to formulate appropriate tourism policy as a basis for the development of tourism.

The affirmation of tourism policy in a large number of countries has enabled the successful development of tourism, which should be a signpost for our country. In addition, the development of agro-tourism as a part of tourism does not disturb the development of agriculture, but complements it.

Agro-tourism is increasingly affecting individual regions, and therefore becomes a regional macroeconomic challenge. The problem, however, is that the impact of agro-tourism on regional development has not been sufficiently drawn out, nor have methods been identified to successfully quantify this impact.

Therefore, the impact of agro-tourism on regional development is not systematically monitored; there are not all necessary indicators, which can be verified, so it is difficult to determine the overall results of tourism's impact on the development of a particular region. Whether agro-tourism has influenced the changing economic picture of individual regions, we see from the fact that it is not only an economic but also a sociological, geo-strategic and political category. Today, agro-tourism is

part of a unique function of the socio-economic system, which means that it activates all those parts of the secondary product of other branches and activities in creating the most valuable rural tourism product.

The experience of rural and regional development within the EU shows that the development of agro-tourism enables: stabilization of the overall regional development, full valorization of the natural and anthropogenic values of the rural area, preservation of the tradition, culture and recognizable identity of the rural communities, optimization of the relations between rural and urban entities of the region, raising the competitiveness of the region as a tourist destination and creating balance between all economic activities of the rural area environmental regions and effort of the appropriate management structures to make the tourism product of rural areas an adequate component of gross domestic product (GNP) of the region.

Accepting the challenges of regional development of agro-tourism in developed countries, the EU meets the following: its identity (economic, social, political and ecological) (Milošević et al., 2009), establishes optimal relations between urbanized and rural areas (since most of the population of our country's urban areas is with a rudiment from rural areas, the so-called return to the sources, i.e. roots, is achieved). Economic redistribution of secondary parts of the tourist product, social stability creation of appropriate tourism culture in accordance with international codes of conduct, opening of acceptability or compatibility in all segments of socio-economic development, achieving full employment, of both excessive living space and excess of workforce (predominantly women), determining the tourist capacity of tolerance in accordance with the available resources of the region.

Within the EU, the rural population increasingly accepts tourism as one of the sustainable development strategies of the local community. Agro-tourism in areas that are not considered as tourist destinations in the traditional sense develops twofold; on the one hand, it is the result of entrepreneurial activities aimed at attracting tourists, and on the other hand, the increase in the number of tourists in rural areas leads to the generation of demand for tourist services, which leads to the growth of entrepreneurial activities at the local level.

An adequate qualitative and quantitative evaluation of the interdependence and interconnection of rural development and tourism,

the light of agro-tourism, is determined by analyzing the economic effects of tourism and part of the mutual economic effects. The following impacts of tourism on agriculture are manifested as direct: increased production and higher placement of agricultural products, higher salaries of employees, new jobs, development of undeveloped and poorly developed areas, stopping emigration from certain villages and municipalities due to lack of work, stimulation of natural population growth, protection and valorization of cultural and historical values (monuments, monasteries, galleries and similar).

Through indirect economic impacts on agriculture, tourism indirectly stimulates a number of other activities from the segment of the economic system to a wider level: the involvement of the economy in the international division of labor, general economic and cultural development, social and pension policy, and the like. The economic effects for the rural area of the Sirinić District are very important and numerous: the development of a number of abandoned rural communities by valorizing neglected abandoned estates, village houses. The essence of the offer in rural areas is to stay in renovated rural houses in traditional style with the possibility of self-catering, familiarizing traditional cultural values and customs, all in an environmentally sound environment.

The accommodation and food of tourists in this way are much more attractive, economically cheaper and at the same time healthier than usual hotel accommodation and food. Therefore, self-preparation of food in rural homes combines classic accommodation and food services into one, unlike classic hotel service. Then, this form of tourism in rural areas would take place throughout the year, unlike the seasonal character of other selective forms of tourism.

As a special significance of agro-tourism and its advantage in relation to all other forms of tourism, its non-seasonal character can be stated, that is, the functionality during 365 days. Tourism continuously encourages the development of a range of other activities in the rural area, which directly or indirectly participate in the provision of services to tourists (transport, trade, food and beverage producers, construction, and other activities that participate in the offer). The development of tourism stimulates or brings effects at the macro-state level: the impact on the country's balance of payments, the impact on employment and the standard of living of the population, and the stimulation of the development of other economic activities involved in the tourism economy, and finally, the impact on

investment and incentives for the development of other underdeveloped areas.

Spacious separation of tourist demand and supply of a particular rural area or destination points to the importance of organizational activities in terms of establishing effective relationships between holders of demand and supply. The cases in practice confirm that the volume of tourist traffic and consumption depends on efficient organization of rural development and tourism in general, especially in terms of establishing favorable relations between holders of tourist demand and supply (Pejanović, 2013).

Conclusion

The development of agro-tourism in the Serbian enclave Sirinić District is an opportunity, but also a necessity, bearing in mind the available resources, while considering the economic underdevelopment and the process of demographic rural areas. The development of agro-tourism would enable the diversification of the rural economy, additional income for the rural population, reduction of unemployment and reduction of the differences in the economic development of rural and urban areas.

The development of rural tourism will enable the valorization of the work of women in agricultural farms, as well as the working engagement of young people and the elderly who are statistically kept in a job as inactive rural population. The population of the Sirinić District mainly sells primary (unprocessed) agricultural products, and agro-tourism is the possibility for food products to be sold on the farm to tourists. It is necessary to finance the development of agro-tourism and to include: infrastructure, personnel, tourist facilities, promotions and sales channels of agro-tourism products in the Republic of Serbia, and thus help the Serbian population in Kosovo and Metohija.

References

1. Cvijanović, D., Ružić, P. (2017). *Ruralni turizam*, Fakultet za hotelijerstvo i turizam u Vrnjačkoj Banji, Univerzitet u Kragujevcu, Vrnjačka Banja.
2. Cvijanović, D, Vujović, S., Maksimović, G. (2018). *Mehanizmi i specifičnosti funkcionisanja ponude i tražnje na turističkom tržištu*, Razvojna Akademija poljoprivrede Srbije, Beograd.

3. Maksimović, G., Milošević, B., Babić, V. (2015). Agricultural cooperatives as development factor of Serbian Enclaves in Kosovo and Metohija. *Agroekonomika*, Vol. 44 No. 68, 136-148.
4. Maksimović, G., Milošević, B., Milenković, M., Đorđević, Lj. (2015). Clusters as a factor of Serbian enclaves subsistence in Kosovo. *Agro-knowledge Journal*, Vol.16, No. 2, 263-272.
5. Maksimović, G., Milošević, B., Jovanović, R. (2017). Research of consumers' attitudes on the organic food consumption in the Serbian enclaves in Kosovo. *Economics of Agriculture*, Vol. 64, No. 3, 987-1003. Belgrade.
6. Milošević B., Milenković M., Arsić S. (2009). Importance of enabling external institution for sustainable agriculture and rural development-case study of western Serbia. *Romanian competitiveness of agriculture in the process of European integration*. Proceedings, 154-162.
7. Milošević, B., Lamberti, L., Milenković, M. (2010). Sustainable agriculture and future challenges for agricultural research and extension services. *Economics of Agriculture*, Vol. 57, 205-214.
8. Pejanović, R., Vujović, S. (2008). Ruralni razvoj i agroturizam. *Agroekonomika*, No. 37-38, 5-15.
9. Pejanović, R. (2013). *Ruralni razvoj i agroturizam, Ogledi iz agrarne i ruralne ekonomije*, Poljoprivredni fakultet, Novi Sad, 269-279.
10. Pejanović, R., Maksimović, G., Radović, G., Njegovan, Z. (2015). Ruralni razvoj i agrarno preduzetništvo – potencijali za porodičan biznis. Kako povećati zaposlenost u Srbiji. *Zbornik radova*, Univerzitet u Novom Sadu. Novi Sad, 99-109.
11. Živković, B., Maksimović, G. (2018). Strategic management of rural tourism development. *The Third International Scientific Conference: Tourism in function of development of the Republic of Serbia - Tourism in the Era of Digital Transformation*, 31 May - 2 June, 2018., Vrnjačka Banja, 556-574.

MODALITIES OF RURAL TOURISM FINANCING IN EUROPEAN UNION

Gordana Radović¹; Zorica Vasiljević²;

Abstract

The European Union is predominantly rural area given that 90% of its territory is considered a rural area according to the categorization of the Organization for Economic Co-operation and Development (OECD). Europe is the world leader in the development of rural tourism. This type of tourism has become the third most important activity in rural areas (with agriculture and forestry). The development of rural tourism in the European Union has been financially supported in institutional sense since the 1990s. The aim of the paper is to present the current modalities of rural tourism financing in the countries that are part of the European Union.

Key Words: *rural tourism, development, modalities of financing, European Union*

JEL classification: *R51, R58*

Introduction

Rural area is the basic resource for development of rural tourism and development of this type of tourism is initiated by the need of urban residents for rest and recreation in rural areas (Encyclopedia of Tourism, 2000). Some authors (Sznajder et al., 2009) define rural tourism as a segment of multifunctional agriculture, while the development of rural tourism relates to: natural, demographic, infrastructural resources, as well as financial resources and support of a state in the field of rural and regional development. Rural tourism is the "third option of tourism", as well as of individual regions' development (Koščak, 1995). According to

¹ Gordana Radović, PhD, Director, "Dnevnik-Poljoprivrednik" AD Novi Sad, Bulevar oslobođenja 81, phone: +381 64 13 78 643, e-mail: gordana.radovic09@gmail.com

² Zorica Vasiljević, PhD, Full Professor, Faculty of Agriculture University of Belgrade, Nemanjina 6, 11080 Belgrade-Zemun, phone: +381 11 4413412, e-mail: vazor@agrif.bg.ac.rs

the quoted author, rural tourism adds value to the rural economy, but also new contents, or a new life to the cultural and natural heritage.

Within the European Union, the most frequently used definition of rural tourism is that it is a type of tourism that includes all tourism activities that can take place in rural areas and which can be included in the tourism offer of these areas. According to this definition, the general characteristics of rural tourism are the following: (a) direct communication and interaction between tourist and host (services' provider); (b) quiet surroundings without noise; (c) preserved environment, without pollution; (d) gastronomic offer based on traditional foods of a particular area; (e) the possibility for a tourist to participate in agricultural activities.

The significance of rural tourism financing is derived from the seasonal character of tourist demand, i.e. low capacity utilization. This causes limited possibilities for self-financing of this activity, as well as the greater need for external sources of financing. Most subjects do not realize their investments owing to the lack of financial resources caused by insufficient accumulative ability of rural tourism and agriculture and absence of good external sources of financing (Radović, 2016).

According to (Bakić & Hrabovski-Tomić, 2010), in terms of accommodation capacities' utilization, 60% represents the lower limit of profitability in tourism. The current average occupancy rate in rural tourism at the European Union level is 25% (Bartlet, 2006), while in Serbia it is only 4% (Master plan održivog razvoja ruralnog turizma u Republici Srbiji, 2011). Bearing in mind the limited accumulation capacity of rural tourism subjects in Serbia, we consider this a limiting factor of development, so it is necessary to define innovative financing modalities (Radović & Vasiljević, 2018).

It is also required to implement the concept of sustainable development management of rural tourism in Serbia, organize continuous education of farmers engaged in rural tourism, as well as incite joining and specialization in rural tourism (Radović, 2017). Also, it is necessary that development should be based on the principles of sustainability viewed from the ecological, economic and sociological aspects (Radović, Vasiljević, 2016).

Europe is the world leader in the development of rural tourism. This type of tourism has become the third most important activity in rural areas (with agriculture and forestry). Rural tourism is the most developed in the "old" member states of the European Union (EU-15), from where 90.2% of the total European rural tourism offers come (Noev, 2013). It is estimated that rural tourism participates with around 15% in total tourism traffic in the European Union.

The development of tourism, and hence rural tourism, on the territory of the European Union is based on the document "Europe, the world's destination No. 1 - a new political framework for tourism in Europe", which was adopted in 2010. This document sought to influence the competitiveness of the European tourist area, as well as to promote the development of sustainable, responsible and high-quality tourism and tourist destinations. Also, the goal of this document was to define the tourist image of Europe, and maximally use the potential of financial policies and instruments for tourism development within the European Union (Svržnjak et al., 2014).

The development of rural tourism in the European Union has been financially supported in institutional sense since the 1990s. The aim of the paper is to present the current modalities of rural tourism financing in the countries that are part of the European Union. The paper employs descriptive and analytical methods of research.

Development of Rural Tourism

According to data of European Federation for Farm and Village Tourism (EuroGites), in 2014 there were about 500,000 accommodation units in Europe, i.e. providers of services in rural tourism, who had totally 5.0-6.5 million beds. Rural tourism encompassed more than 100,000 providers of other services, which are directly related to rural tourism. This resulted in the fact that this type of tourism had more than 1.3 million direct or indirect employees in Europe. It is estimated that rural tourism, directly and indirectly, realized annual revenue of about €100,000 billion (Svržnjak et al., 2014).

The average occupancy rate in rural tourism in the European Union is 25%, and in some countries it is significantly higher, reaching 50%. In the previous period, local communities played a central role in the development of rural tourism, and the most significant limiting factors of

development were the following: quality of infrastructure, accessibility of rural areas and unfavorable demographic characteristics. The most receptive and emittive rural tourism markets in the European Union are France, Germany, Italy and Austria. These countries together have 56% of the total accommodation capacities of the European rural tourism offer. Individually, France has 23.4%, Germany 13.4%, Italy 10.6%, and Austria 9.3% of the total rural tourism capacities of the European Union (Noev, 2013).

Table 1: *Touristic capacities and prices in rural tourism*

Country	Number of rural tourism entities	Number of beds	Average daily price per bed (€)	Average daily revenue per subject of rural tourism (€)
France	60,000	540,000	12	6,480
Germany	30,000	270,000	12	3,240
Great Britain	25,000	225,000	22	4,950
Austria	18,000	162,000	14	2,268
Italy	15,000	135,000	18	2,430
Scandinavian countries	9,000	81,000	25	2,025
Spain	5,500	49,500	20	990
Poland	5,000	45,000	10	450
Ireland	4,500	40,500	22	891
Switzerland	3,000	27,000	18	486
Baltic countries	2,000	18,000	15	270
Central European countries	5,000	45,000	12	540
Portugal	2,500	22,500	20	450
Romania and Bulgaria	3,500	31,500	10	315
Other European countries	2,000	18,000	16	288
Total:	190,000	1,710,000	-	-

Source: (Stić, 2010)

Note: SRT = *Subject of Rural Tourism*

By analyzing the data presented in Table 1, it can be concluded that in terms of accommodation capacities, rural tourism is the most developed in France, Germany, Great Britain, Austria and Italy. According to the level of average daily price per bed, the Scandinavian countries, Ireland and the United Kingdom are on the first place, while prices in France and Germany are among the lowest in Europe. Rural tourism service providers in France earn the highest average daily revenue, which

suggests that an integral part of the tourist arrangement are the quality gastronomic offer and tourist facilities, as well as the sale of agricultural products, wines, souvenirs, etc.

France has the most developed rural tourism offer in Europe. This country is the leader of rural tourism on a global level, with 365 million overnight stays per year. Rural tourism has been developed at 80% of its territory. According to estimates, France earns annual revenue of rural tourism in the amount of €15 to 18 billion (Curać, 2007).

Spain also notes the rapid growth of rural tourism. In 1994, there were 1,074 accommodation facilities in rural tourism of Spain, in 2000 there were 3,860, and in 2003 there were 6,534 accommodation facilities (Priestley et al., 2005). Spain has the annual revenue of rural tourism in the amount of €249 million and has an annual growth rate of 14.2%. This country has the capacity for further development of rural tourism (Bartlet, 2006).

In Germany, rural tourism is the most developed in Bavaria, where agricultural holdings have over 500,000 beds. In Italy, about 7,000 agricultural households are engaged in agro tourism, which have over 100,000 beds in total. Rural tourism began to develop in Great Britain in the 1970s. In 1991, 9.5% of all farms provided accommodation and food services. In this country, "rural tourism is the strategic power of the rural economy" (Štetić, 2007).

In some European countries, different forms of rural tourism are represented. Agro tourism is the most frequent in Italy and Slovenia. Camping within the farm have been developed in the Netherlands, and in Greece, rural tourism means only lodging with breakfast in agricultural households (Sorensen & Nilsson, 2005).

Rural tourism organizations

The most important organizations for rural tourism in the European Union are the following: (a) European Federation for Farm and Village Tourism (EUROGITES); (b) European Council for Villages and Small Towns (ECOVAST); (c) European Center for Eco Agro Tourism (ECEAT); (d) International Association of Experts in Rural Tourism (IAERT).

European Federation for Farm and Village Tourism - EUROGITES is the most important organization of rural tourism in the European Union. It was founded on September 29, 1990 in Portugal in order to define the European concept of rural tourism. In addition, EUROGITES also has the following goals: (a) to define rural tourism standards; (b) to contribute to the preservation and quality of life in rural areas of Europe; (c) to contribute to the preservation of the environment; (d) to offer an alternative to mass tourism (Čomić, 2001).

EUROGITES is headquartered in Strasbourg, France. The website of this organization presents the common rural tourism offer of member states, and it is guaranteed quality to the tourists in accordance with defined standards. Members of EUROGITES are: Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, France, Georgia, Germany, Greece, Hungary, Israel, Italy, Latvia, Lithuania, Luxembourg, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Switzerland and Great Britain. The current rural tourism offer of this organization includes about 400,000 rural tourism entities that have a total of around 3.6 million beds (<http://www.eurogites.org>).

France is also the country with the longest tradition of rural tourism. The National Network of France (*Fédération Nationale des Gîtes de France*) is the first European association for rural tourism, which has existed for 100 years, and gathers over 30,000 subjects, which accommodate more than two million tourists annually, of which 30% are foreigners (Curać, 2007).

Belgium has three specialized associations of rural tourism: *Gîtes de Wallonie*, *Logeren in Vlaanderen* and *Accueil Champêtre en Wallonie*. In Great Britain, there is also a specialized association of rural tourism. In this country, the realization of the National Rural Tourism Development Project began in 1988 and since then this type of tourism has been systematically developing. In 2007, rural tourism in Great Britain employed over 380,000 people in 25,000 agricultural and tourist households (Lane, 2007).

European Council for Villages and Small Towns - ECOVAST is an international organization established in 1984 in Germany whose mission is to promote the welfare of rural communities and preserve the rural heritage of Europe. As part of its activities, ECOVAST encourages and

supports economic, social and cultural vitality, as well as the identity of rural communities throughout Europe, and advocates the preservation and restoration of rural heritage. In 1994, this organization adopted the Strategy for Rural Europe, where rural tourism, which promotes economic development, is also underlined within the goals of rural development, but also stops the depopulation of rural areas. In accordance with the adopted Strategy, it was emphasized that "in order to avoid adverse impacts of rural tourism, it is necessary to establish at the local level the management that will manage the development of rural tourism on sustainable grounds and which will precisely define the development goals" (<http://www.ecovast.org>).

European Centre for Eco Agro Tourism - ECEAT is an independent and non-profit association that brings together national ECEAT organizations. This association was established in 1992 from a pilot program for resting on organic farms in Czechoslovakia, founded by organizations dedicated to the development of rural, eco-friendly and sustainable tourism from the Netherlands, Germany, Sweden, the Czech Republic and Portugal. The main goal of ECEAT is to develop and improve tourism that supports the development of organic agriculture, sustainable land use, nature protection, village development and cultural heritage protection (Košić, 2012).

International Association of Experts in Rural Tourism - the IAERT has its headquarters in Perugia, and the mission of this organization is to explore various aspects of rural tourism within the framework of the Integrated and Sustainable Rural Development Strategy (Čomić, 2001).

Modalities of rural tourism financing

The European Union is the predominantly rural area given that 90% of its territory is considered a rural area according to the categorization of the Organization for Economic Co-operation and Development (OECD). About 60% of the total population lives in rural areas. Funds for rural development financing began to stand out from the EU budget since 1980, but since 1991 (with slight fluctuations) they represented more significant allocations in the structure of the European Union's agricultural budget (Marković M, 2013).

In 1994, the European Commission Directorate General for Agriculture started to implement a program of activities and measures aimed at the

development of tourism in rural areas. The main goals of the realized programs were the following: (a) restructuring and diversification of rural economies; (b) creation of tourist facilities in rural areas; (c) increase of the rural population employment; (d) providing additional sources of income for farmers through the development of rural tourism. Rural tourism is labeled in these documents as "a natural alternative to mass tourism" (Pančić-Kombol, 2000).

The financing of rural development, and hence rural tourism, was realized from: (a) European Regional Development Fund - ERDF and (b) European Social Fund - ESF. The financial resources of ESF have encouraged the development of less-developed European areas, i.e. where gross per capita income is lower than 75% of the average in the European Union (Mitchell & Hall, 2005).

The financing of rural tourism in the European Union was also realized through the LEADER program (*Liaisons Entre Actions pour le Développement des Economies Rurales*). This financial instrument was established in 1990 and represents the methodological basis for the emergence of Local Action Groups (LAG), which are an important factor in rural development in the European Union. The Local action groups are important for the development of rural tourism, bearing in mind that "cooperation at the local level and community involvement through certain forms of networking is one of the most important requirements for the sustainable development of rural tourism" (Mitchell & Hall, 2005).

The rural development policy was introduced by the Common Agricultural Policy (CAP) reform from 1999 on the basis of AGENDE 2000. The reform document introduced the so-called second pillar of CAP. The second pillar included a set of measures aimed at financing rural development. 2000 Agenda formulated alternative forms of employment and source of income for farmers, in which special emphasis was placed on the development of rural tourism.

Table 2: *EU budget for rural development in the 2007-2013 and 2014-2020 periods*

Country	2007–2013 (€)	2014–2020 (€)
Belgium	418,610,306	551,790,759
Czech Republic	2,815,506,354	2,170,333,996
Denmark	444,660,796	629,400,690
Germany	8,112,517,055	8,217,851,050

TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA
Tourism as a Generator of Employment (TISC 2019) – Thematic proceedings II

Estonia	714,658,855	725,886,558
Greece	3,707,304,424	4,195,960,793
Spain	7,213,917,799	8,290,828,821
France	6,441,965,109	9,909,731,249
Ireland	2,339,914,590	2,189,985,153
Italy	8,292,009,883	10,429,710,767
Cyprus	162,523,574	132,214,377
Latvia	1,041,113,504	968,981,782
Lithuania	1,743,360,093	1,613,088,240
Luxembourg	90,037,826	100,574,600
Hungary	3,805,843,392	3,455,336,993
Malta	76,633,355	99,000,898
Netherlands	486,521,167	607,305,360
Austria	3,911,469,992	3,937,551,997
Poland	13,230,038,156	10,941,201,814
Portugal	3,929,325,028	4,057,788,374
Slovenia	900,266,729	837,849,803
Slovakia	1,969,418,078	1,890,234,844
Finland	2,079,932,907	2,380,408,338
Sweden	1,825,647,954	1,745,315,250
Great Britain	1,909,574,420	2,580,157,491
Bulgaria	-	2,338,783,966
Romania	-	8,015,663,402
Total:	77,662,771,346	95,338,109,365

Source: (1) For period 2007-2013 - (http://ec.europa.eu/agriculture/index_en.htm); (2) For period 2014-2020 (http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=6760) - European Parliament Report from 12.12.2013, 93/2013 PE-CONS.

By analyzing the data presented in Table 2, it can be concluded that the total funds allocated from the EU budget for rural development in the period 2007-2013 amounted to €77.662 billion. By analyzing the structure of their distribution within the E-25, the conclusion is drawn that Poland had the largest share, where €13.23 billion was pledged. The total planned funds for rural development at the level of E-27 in the period 2014-2020 amount to €95.338 billion, which represents about 10% of the total EU budget for the 2014-2020 period.

Financing the development of rural tourism in the area of the European Union is being implemented, in addition to the joint EU budget, from the national budgets, as well as from the funds of various international organizations. For the purpose of developing rural tourism, the World Tourism Organization (WTO) initiated the establishment of funds that funded numerous development projects around the world. To this end, the Foundation was established in Seoul, Korea, where the initial capital of

US \$5 million was donated by the Korean Government. Funds were established in cooperation with the Dutch Development Agency, which donated two million €, as well as with the Italian Government. Besides financial support, the World Tourism Organization also provides educational support for the development of rural tourism, through numerous seminars, and has issued a publication '*Rural Tourism in Europe: Experiences Development and Perspectives*', within which the development aspects of rural tourism were explored (Jing, 2006).

The Organization for Economic Co-operation and Development (OECD), which has defined support for innovative companies, for beginners in business, micro enterprises and high-tech companies, also offers the opportunity to finance rural tourism. It is clear that the goal of this policy is to help small businesses become part of a sustainable development process, because tourism must turn its opportunities into business benefits (Mitchell & Hall, 2005).

The European Union's Common Agricultural Policy (CAP) has been funded since 2007 from two funds. Those are: European Agricultural Guarantee Fund - EAGF and European Agricultural Fund for Rural Development (EAFRD) from which the financing of rural tourism is realized.

European Agricultural Fund for Rural Development (EAFRD)

In order to finance rural development, the European Union established in 2007 the European Agricultural Fund for Rural Development (EAFRD). The development of rural tourism is financed from the EAFRD as well. The objectives of establishing this Fund are the following: (a) increasing competitiveness of the agricultural sector through support for restructuring; (b) improving the environment and ambience by supporting land management; (c) improvement of quality of life in rural areas and development of economic activities' diversification (Đorđević-Milošević & Milovanović, 2012).

The financial resources from the EAFRD encourage the development of rural tourism by financing the development of marketing, tourist services, information centers, tourist signaling, small accommodation capacities, recreational infrastructure, as well as the transport infrastructure in order to accessed certain (inaccessible) natural areas (Noev, 2013).

Funds from the EAFRD are allocated according to the principle of co-financing, i.e. their use also includes the provision of funds in national budgets. It is also necessary that member states have national rural development programs, in line with the EU's strategic objectives. More precisely, it is necessary that national rural development programs "contribute to the realization of three significant objectives of the European Union: competitiveness (Lisbon Agenda), sustainability (Göteborg Agenda) and cohesion". These strategic goals have been set in order to correct huge disparities in income and living standards among regions within the EU (Đorđević-Milošević & Milovanović, 2012).

Table 3 shows three projects co-financed by EAFRD funds in the period 2007-2013 in the regions of France, Belgium and Great Britain. These countries have developed rural tourism, as well as organizations (associations) of service providers in this type of tourism.

Table 3: *Presentation of Rural Tourism Development Projects financed by EAFRD*

France	Belgium	Great Britain
Project financed by EAFRD *	Project financed by EAFRD * "The most beautiful village in Wallonia"	Project financed by EAFRD * "The dragonfly center"
Period: 01.04.2011– 31.10.2011	Period: 01.01.2009–01.01.2013	Period: 05.05.2009–31.03.2010
Area: Northeastern France	Area: Namur, Wallonia	Area: East England
Total fin. resources: €64,250	Total fin. resources: €500,000	Total fin. resources: €83,430
– EAFRD: €21,200	– EAFRD: €200,000	– EAFRD: €39,210
– National budget: €17,350	– State subsidies: €200,000	– State subsidies: €9,450
– Private fin. sources: €25,700	– Private fin. sources: €100,000	– Private fin. sources: €34,770
Result: Construction of a sports center that enabled indoor golfing, new tourist facilities and new jobs created.	Result: An audio guide, as a new technology to learn about local values, a proactive site, featuring local actors and a local economic community.	Result: Increasing the tourist potential of Wicken Fen nature reserve, the oldest natural reserve in England and one of the most important wetlands in Europe. In the reserve there are 24 different types of dragonfly, which annually attract about 40,000 tourists. To this end, the Dragonfly center was built within the project.

		
Picture no. 1 - The segment of rural tourist offer of France (Source: http://en.gites-de-france.com)	Picture no. 2 - Belgium's rural tourist offer segment (Source: http://www.gitesdewallonie.be)	Picture no. 3 - The segment of the rural tourism offer of Great Britain (Source: http://www.farmstyuk.co.uk)

Source: France: (<http://en.gites-de-france.com>), (http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=4401); Belgium: (<http://www.gitesdewallonie.be>), (<http://www.logereninvlaanderen.be>), (<http://www.accueilchampetre.be>), (http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=2222); Great Britain: (<http://www.farmstyuk.co.uk>), (http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=6043).

The development of rural tourism, in addition to EAFRD funds, is financed in the European Union even from the national budgets of the member states, as well as from private sources of financing. There are differences between countries and regions within the European Union in the modalities of state support for the development of rural tourism. In order to define adequate incentives for the development of rural tourism, a number of information is needed, such as "exploring links between agriculture, environmental protection, tourism and identification of complementarity, conflict and interdependence" (Roberts et al., 2005).

The development of rural tourism in Ireland is supported in the present period by state funds with around €20 million (Bartlet, 2006). The funds from the state budget for the development of rural tourism were provided in Great Britain, as well. The funds were placed in the form of loans, which were paid to farmers through the Government's loan plan for a diversified farm activity, in order to cover the costs of trying to use the land for non-agricultural purposes (Muhi, 2009).

State financial support for the development of rural tourism was also provided in Switzerland, and it mainly relates to small family farms. In this country, "an example of a successful rural policy, which is a synthesis of agrarian, rural and global development policies, has been realized, but Switzerland is a state that has financial resources to support effective rural development" (Pejanović et al., 2005).

Financing (co-financing) of rural tourism from the EAFRD funds in the period 2014-2020 has been realized through the following modalities: (a) incentive funds for founding enterprises that develop non-agricultural activities in rural areas (financial resources up to €70,000 per user, for micro and small enterprises); (b) incentive funds for reconstruction of villages and basic services in rural areas, beneficiaries are local economic communities, and investments can be invested in infrastructure financing, maintenance and restoration of cultural heritage and natural resources, etc.; (c) incentive funds to develop cooperation between farmers, local communities, organizations and other entities in order to develop rural tourism through the development of marketing, tourism services, local markets, public-private partnerships and clusters; (d) incentive funds in the form of transfer of knowledge and advisory services in order to develop the sector of small and medium enterprises in the field of rural tourism in rural areas (Noev, 2013).

Conclusion

By analyzing the data presented in the paper, it can be concluded that the development of rural tourism in the European Union, among other primary conditions, is the result of organized and active financial support. Besides the common agricultural budget, sources of financing are those of international organizations, such as, for example, World Tourism Organization. Also, the sources of funding are the national budgets of individual member states of the European Union, as well as private sources of funding. All this resulted in the fact that today in the European Union rural tourism is the most developed non-agricultural activity in rural areas, with a tendency of constant growth and development. Development is reflected in quantitative indicators, i.e. increasing the number of entities engaged in this activity, increasing the number of overnight stays, as well as the total revenue from this activity. It is also reflected in qualitative terms. It is about the quality of services, as well as about the diversification of tourist facilities, which are increasingly important for the modern tourist.

References

1. Bakić O, Hrabovski-Tomić E. (2010). *Turizam - pojmovi, efekti, funkcionisanje*, Univerzitet Educons, Fakultet poslovne ekonomije, Sremska Kamenica.
2. Bartlet T. (2006). *Rural Tourism development in Europe*, *International Forum on Rural Tourism*, China, 4.-6- September 2006, Final Report World Tourism Organization.
3. Curać A. (2007): Turizam u ruralnom prostoru sela Žrnovo na otoku Korčuli - iskustvo organizatora putovanja iz Francuske, Zbornik radova, *Prvi hrvatski kongres ruralnog turizma*, Hvar, 531-541.
4. Čomić Lj. (2001). *Značaj kooperacije i primena interneta u razvoju ruralnog turizma*, Zbornik radova, *Prvi Forum: Ruralni turizam i održivi razvoj Balkana*, Kragujevac, 25-26 October, 2001.
5. Đorđević-Milošević S, Milovanović J. (2012). *Održivi turizam u funkciji ruralnog razvoja - Mala poljoprivredna gazdinstva i ruralni turizam u Srbiji*, Fakultet za primenjenu ekologiju Futura, Univerzitet Singidunum, Beograd, Agroznanje, Vršac, FAO, Budimpešta.
6. Jafari, J. (2002). *Encyclopedia of Tourism*, Routledge, London, New York.
7. Jing X. (2006). Rural Tourism and Sustainable Community Development. *International Forum on Rural Tourism*, China, 4.-6-September 2006, Final Report World Tourism Organization.
8. Koščak M. (1995). Razvoj ruralnog turizma u Sloveniji. *Naučno-stručni časopis: Turizam*, Vol. 43, No. 7-8/1995, Hrvatska turistička zajednica, Institut za turizam, Zagreb.
9. Košić K. (2012): *Ruralni turizam Vojvodine*, Monografija, Univerzitet u Novom Sadu, Prirodno-matematički fakultet, Departman za geografiju, turizam i hotelijerstvo, Novi Sad.
10. Lane B. (2007). Rural tourism in the United Kingdom - its development synergies, success stories and issues Zbornik radova, *Prvi hrvatski kongres ruralnog turizma*, Hvar, 17-21 October 2007., 443-463.

11. Marković M. (2013): *Challenges in agricultural sector of the potential candidate and the candidate countries for EU membership*, Presentation, International Symposium and XVIII Scientific Conference of Agronomists of Republic of Srpska, Trebinje, March 26-29, 2013.
12. Master plan održivog razvoja ruralnog turizma u Republici Srbiji (2011). Zajednički program UN "Održivi turizam u funkciji ruralnog razvoja", Beograd.
13. Mitchell M, Hall D. (2005). *Rural Tourism as Sustainable Business: Key Themes and Issues*, in *Rural Tourism and Sustainable Business*, Hall D., Kirkpatrick I. and Mitchell M. (eds), Channel View Publications, Clevedon, Buffalo, Toronto, 3-14.
14. Muhi B. (2009). *Primena marketinga u seoskom turizmu Vojvodine*, Univerzitet Educons, Fakultet poslovne ekonomije, Sremska Kamenica.
15. Noev N. (2013). *Rural Tourism, Communities and EAFRD Funding 2014-2020*, Presentation, *European Commission DG Agriculture and Rural Development*, "Communities as a part of sustainable rural tourism - success factor of inevitable burden", Kotka, Finland, 10-11 November 2013.
16. Pančić Kombol T. (2000). *Selektivni turizam - uvod u menadžment prirodnih i kuturnih resursa*, TMCP Sagena d.o.o., Matulji.
17. Pejanović R, Tica N, Delić S. (2005). *Agrarno preduzetništvo*, Tematski zbornik, Međunarodni naučni skup: *Multifunkcionalna poljoprivreda i ruralni razvoj*, Beograd, 08.-09. December, 2005., 74-84.
18. Priestley G, Canoves G, Segui M, Villarino M. (2005). *Legislative Framework for Rural Tourism: Comparative Studies from Spain*, in *New Directions in Rural Tourism*, Hall D., Roberts L. and Mitchell M. (eds), Ashgate Publishing Limited, Aldershot, England, pp. 63-85.
19. Radović G. (2016). Sources of finance for rural tourism in the Republic of Serbia, *Economics of Agriculture*, Vol. 63, No. 3, 1053-1065.
20. Radović G. (2017). Experience of foreign countries in rural tourism development - lessons for Serbia. 2nd *International Scientific Conference 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, Vrnjačka Banja, Serbia, 01-03. June, 2017, 429-443.

21. Radović G, Vasiljević Z. (2016). Rural tourism in the function of the Republic of Serbia development. *1st International Scientific Conference Tourism in function of development of the Republic of Serbia- Spa Tourism in Serbia and Experiences of Other Countries*, Vrnjačka Banja, Serbia 2-4. June, 2016, 33-50.

22. Radović G, Vasiljević Z. (2018). Current Forms of Rural Tourism in Serbia and Modalities of Financing *3rd International Scientific Conference Tourism in function of development of the Republic of Serbia- Tourism in the Era of Digital Transformation*, Vrnjačka Banja, Serbia, 31 May-2 June, 2018, 521-537.

23. Roberts L, Mitchell M, Hall D. (2005): *New Directions in Rural Tourism: Local Impacts and Global Trends*, in *New Directions in Rural Tourism*, Hall D., Roberts L. and Mitchell M. (eds), Ashgate Publishing Limited, Aldershot, England, pp. 225-233.

24. Sznajder M, Przeborska L, Scrimgeour F. (2009). *Agritourism*, CAB International, Oxfordshire, UK, Cambridge, USA.

25. Svržnjak K, Kantar S, Jerčinović S, Kamenjak D. (2014). *Ruralni turizam - uvod u destinacijski menadžment*, Visoko gospodarsko učilište, Križevci.

26. Stić D. (2010). *Marketing u turizmu & marketinški menadžment destinacije*, Beretin, Split.

27. Sorensen A., Nilsson P.A. (2005). *What is Managed when Managing Rural Tourism?* The Case of Denmark, in *New Directions in Rural Tourism*, Hall D., Roberts L. and Mitchell M. (eds), Ashgate Publishing Limited, Aldershot, England, 54-64.

28. Štetić S. (2007). *Turistička geografija*, Izdavač: Autor, Beograd.

29. <http://www.gitesdewallonie.be> (February, 2019).

30. <http://en.gites-de-france.com> (February, 2019).

31. <http://www.farmstyuk.co.uk> (February, 2019).
32. <http://www.eurogites.org> (February, 2019).
33. <http://www.ecovast.org> (February 2019).55
34. http://ec.europa.eu/agriculture/index_en.htm (February, 2019).
35. http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=6760 (February, 2019).
36. http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=4401 (February, 2019).
37. <http://www.logereninvlaanderen.be> (February, 2019).
38. <http://www.accueilchampetre.be> (February, 2019).
39. http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=2222 (February, 2019).
40. http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=6043 (February, 2019).

COMMON AGRICULTURAL POLICY AND THE ROMANIAN AGRICULTURE – A DRAFT COMPARISON APPROACH

Jean Vasile Andrei¹; Iuliana Denisa Radulescu²;

Abstract

In contemporary economies, agriculture has positive spill-over effects and contributes in valuing inland potentials and creating a competitive and well functional economic system. The recent evolution of the Romanian agriculture has imposed a new and determinant trend of valuing internal potential of growth in a larger perspective of Common Agricultural Policy (CAP) transformation. The main goal of this research is to present and analyze the relations triggered by the convergence of Romanian agriculture to the new CAP perspective form a larger perspective of European comparisons.

Key Words: *agriculture, CAP, reform, paradigm, land use, economy*

JEL classification: *N50; O13; P52; Q18*

Introduction

In contemporary economies, agriculture, despite reducing its role and importance in creating gross value added, it continues to hold a basically economic place in assuring resilience for numerous rural communities. Agriculture is essential in reducing the regional development gaps and improving the social wellbeing for rural communities. In this context, agriculture has diversified its area of manifestation, gaining an ample multifunctionality, beyond its classical roles of food production and raw material providing.

Agriculture, due to the numerous transformations and mutations that have taken place along the processes of adapting to the demands of the global economy, has become an industry itself that mobilizes a large complex of

¹ Jean Vasile Andrei, Ph.D., Assoc.prof., Petroleum-Gas University of Ploiesti, B-dul Bucuresti, No.39, Ploiesti, Prahova, Romania, E-mail: andrei_jeanvasile@yahoo.com

² Iuliana Denisa Radulescu, PhDs., The Bucharest University of Economic Studies, Doctoral School II, Bucharest, Romania, E-mail: dennisaradulescu@gmail.com

resources. As it is argued in European policy documents (European Commission (2017), and already accepted "agriculture itself has become, in many cases, a form of industry, as technology, vertical integration, marketing and consumer preferences have evolved along lines that closely follow the profile of comparable industrial sectors, often of notable complexity and richness of variety and scope." (European Commission, 2017).

The perspective of the new financial framework and the need for a more proactive and highly functional Common Agricultural Policy has imposed a massive rethinking of the traditional working paradigm. As (Henke et al., 2018) argues "Common Agricultural Policy (CAP) is a core policy of the European Union (EU), which represents 40 per cent of the EU budget allotments and a cornerstone of the integration process" (Henke et al., 2018).

The designing and application of a strong European agricultural policy requires more than ever the achievement of a strong covenant between the agricultural sectors of the member countries based on the requirements of the European agricultural model. Also, the challenges posed by achieving enormous environmental, climate and social and food security objectives of the population are some of the determining factors in designing a functioning agricultural policy.

The impact of the Common Agricultural Policy is multiple and differs in different degrees in objectives depending on the level of addressability. Thus, the CAP must satisfy equally the initial objectives set by the Rome Treaty, but also respond to the new challenges provoked by the sustainable development of rural communities, climate and environmental provocations, and income support for farmers.

The Common Agricultural Policy is heavily dependent on the realization of a budget that will satisfy the highest degree of the functioning of an economically suited economic zone for the Member States. In the same time as (Kirylyuk-Dryjska & Baer-Nawrocka, 2019) notice "CAP is one of the oldest and most controversial of the UE policies", but at the same time reunites the most common political interests of the EU at the highest level.

Analyzing the convergence between national agriculture and the new transformation of the CAP reforms` requires the ample process of

understanding of the intimate resorts of the sectorial transformations, and the future evolution from a large context of European convergence. In case of Romanian economy, agriculture is a determinant economic branch with a wide and determined impact in ensuring economic development and a sustainable growth for rural communities, from a multifaceted perspective being a basically revenue support for a numerous rural population.

Agriculture generates a broad process of positive effects and intercorrelations in the economy, being equally supplier and consumer of raw materials, contributing to the creation of value added in the economy. From this perspective, the understanding of the role and place of agriculture in the structure of the national economy implies a deepening of the mechanism of sectoral functioning and interrelation. Starting from the reality that agriculture has acquired the accents and characteristics of a real industry, it further emphasizes the understanding of connections with the CAP and its own way of functioning.

For achieving the research goals established above, the paper is structured in two distinct sections in which the evolution of the agricultural efficiency in Romania and some EU-MS, compared with the future design of the CAP paradigm, are presented and analyzed.

A multi approach on agricultural efficiency in some EU countries

Agriculture represents an important economic activity and sector at the EU level, with determinant impact on economic growth. Agriculture, through CAP, has become one of the most integrated economic branches in economic structure. From this perspective, the evolution of the output of the agricultural 'industry' is presented in Table 1.

Table 1: *Output of the agricultural 'industry' in some EU countries, 2014-18 - Million purchasing power standards (PPS)-*

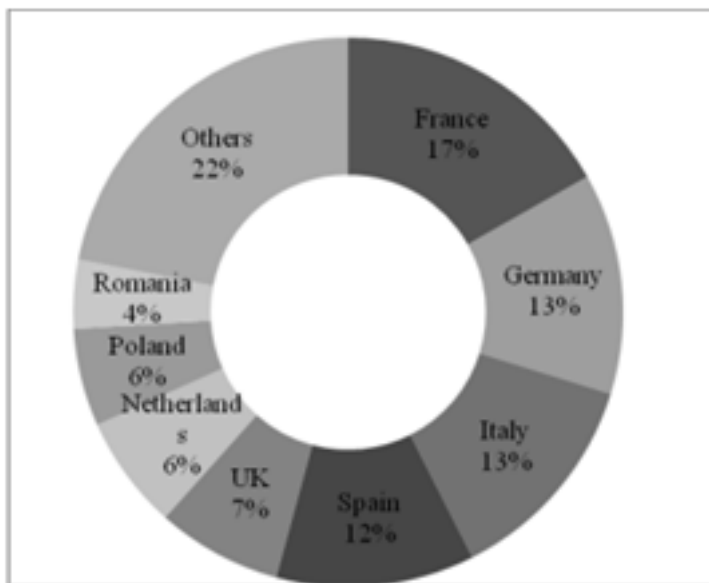
Country	2014	2016	2018	$\Delta_{20014=100}$
EU	461,779.78	446,950.49	476,410.20	3.17%
Bulgaria	9,379.68	8,411.90	8,366.32	-10.80%
Czechia	7,950.95	7,552.81	7,651.75	-3.76%
Germany	56,473.74	49,033.17	49,806.52	-11.81%
Estonia	1,259.42	1,022.70	1,127.77	-10.45%
Spain	48,959.90	53,730.15	58,790.85	20.08%
France	68,763.92	64,470.03	69,195.30	0.63%

Italy	54,096.23	54,966.32	57,527.75	6.34%
Latvia	1,948.63	1,936.06	1,891.13	-2.95%
Lithuania	4,672.93	4,613.55	4,538.52	-2.88%
Hungary	13,991.34	13,985.36	14,115.97	0.89%
Poland	40,248.39	40,300.90	42,654.71	5.98%
Romania	33,735.67	31,008.48	38,728.33	14.80%
Slovenia	1,529.71	1,505.97	1,601.34	4.68%
Slovakia	3,632.11	3,593.46	3,469.13	-4.49%

Source: *authors` based on (Eurostat, 2019a)*

From Table 1 it can be remarked that the evolution of output of the agricultural 'industry' in some EU countries during 2014-18 describes a general growing trend over the entire analyzed period, with the exception of states such as: Germany (11.81%), Bulgaria (10.80%), Slovakia (4.49%) and Latvia and Lithuania with a decrease of almost 3%. On the other hand, countries as Romania and Spain, with important shares of agriculture in the economic system register massive increases during the period. The discrepancy tendency of the presented indicator largely describes the role and importance of agriculture in the national economy. In Figure 1, the share of output value of EU's agricultural industry as percentage of EU total in 2017 is presented.

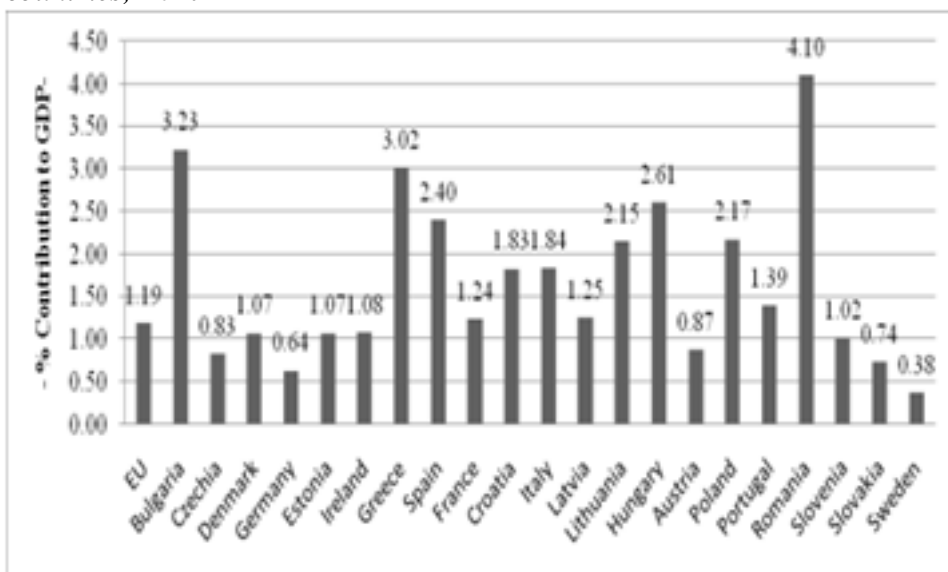
Figure 1: *Output value of EU's agricultural industry (% of EU total), 2017*



Source: *authors` own computations based on (Eurostat, 2019)*

The EU agriculture as is argued in numerous studies (Détang-Dessendre et al., 2018; Boinec & Fertő, 2019; Renwick, et al., 2013; Gardner, 2006 Andrei & Darvasi, 2012; Andrei et al., 2015) has different levels of impacts, starting from economic and environmental approaches and finishing with income support and multifunctional activities in rural areas. The share of output value of EU's agricultural industry reveals the fact that agriculture is a fundamental economic branch with a great impact on European agricultural economics. Output value of EU's agricultural industry holds and contributes with significant values in the most technologically advanced countries as France (17%), Germany and Italy with 13%, followed by Spain (12%). Romania, where agriculture continues to be an important economic branch, holds just 4%. For a greater approach, the agricultural contribution in creating GDP in some EU countries in 2017 is presented in fig.2.

Figure 2: *Agricultural contribution in creating GDP in some EU countries, 2017*



Source: *authors` own computations based on (Eurostat, 2019)*

The shares of agricultural contribution in creating GDP prove the importance of the agricultural sector in generating gross value added and wellbeing in EU-MS. The shares range from 0.38% in Sweden and 0.83% in Czech rep., with the peak of 4.19% in Romania and 3.23% in Bulgaria.

The agricultural production, as it is showed by the data from fig.2, holds important shares in EU –MS economies. If, in case of well functional and highly competitive countries as: Germany, France, Ireland, Denmark, agriculture has a contribution to GDP around 1% or below, for the latest countries accessed to EU, agriculture still has a major impact. From this perspective, the importance of CAP financial support has new meanings and approaches.

From this approach, another important issue is the evolution of the gross fixed capital formation in agriculture. In Table 2, the evolution of the gross fixed capital formation in some EU countries during 2014-2017 is presented.

Table 2: *Gross fixed capital formation in some EU countries, 2014-2017**
 - Million purchasing power standards (PPS) -

Country	2014	2016	2017	$\Delta_{20014=100}$
EU	58,659.20	56,756.31	59,030.44	0.63%
Bulgaria	452.00	307.05	322.87	-28.57%
Czechia	1,001.64	1,187.00	1,268.71	26.66%
Germany	8,943.41	8,337.16	8,685.41	-2.88%
Estonia	331.66	222.03	214.88	-35.21%
Spain	4,739.93	5,435.52	5,827.83	22.95%
France	10,042.28	9,056.78	9,158.76	-8.80%
Italy	7,894.38	8,479.67	8,709.17	10.32%
Latvia	275.22	447.00	467.40	69.83%
Lithuania	868.69	1,077.67	1,069.27	23.09%
Hungary	1,605.24	1,212.62	1,398.07	-12.91%
Portugal	1,152.04	1,182.65	1,123.95	-2.44%
Romania	2,174.16	1,936.06	2,101.02	-3.36%
Slovenia	290.50	285.76	312.27	7.49%
Slovakia	169.07	183.17	259.69	53.60%

Note: *= excluding deductible VAT

Source: *authors` based on Eurostat, 2019*

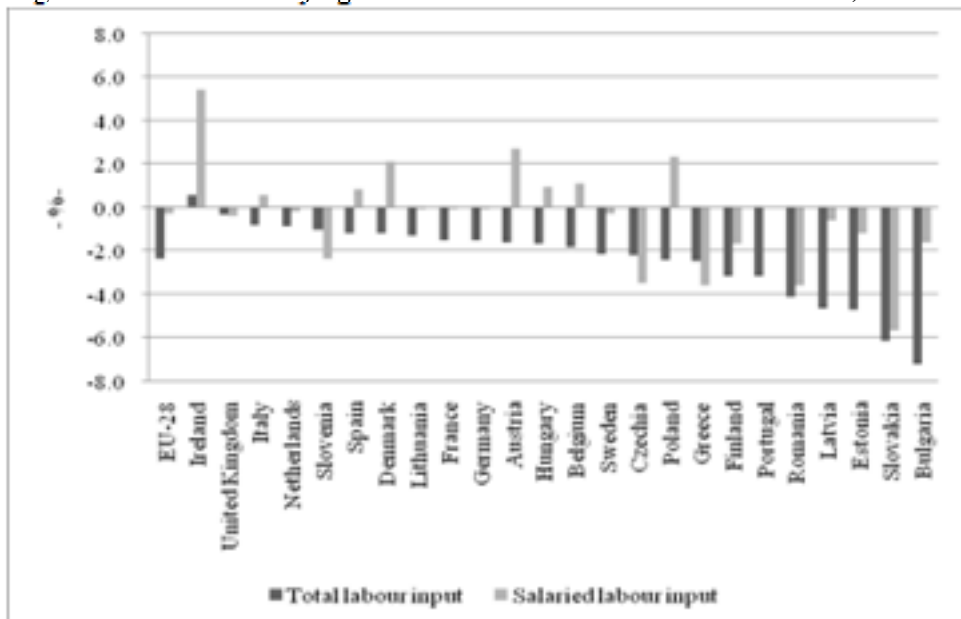
Gross fixed capital formation in agriculture presents a dogmatic approach of the agricultural importance in the whole economic structure. A performing agriculture needs massive capital investments, modern machinery and production technology.

During the analyzed period, gross fixed capital formation registered overall significant declines in most of the analyzed countries. The most significant decline was registered in Bulgaria, a country with a strong agricultural character. At the same time, it can be noticed that the biggest drops are driven by states where agriculture still has significant inflows, and where gross capital formation should record significant appreciation to reduce the gap.

As it has already been discussed in literature (Ciutacu et al., 2015; Mattison et al., 2005; Manoleli et al., 2004), there are significant discrepancies and divergences in agricultural sector. Productivity gaps in agriculture are also accentuated and sustained by poor farm labor and the lack of an active policy to support investment.

Against this background, gaps are on the rise, and agriculture in these countries will continue to be just a supplier of raw materials. In this context, agriculture continues to be labour intensive, less than technological intensive and register low levels of productivity. To accentuate this, the volume of agricultural labour used in some EU countries in 2017 is presented in fig.3.

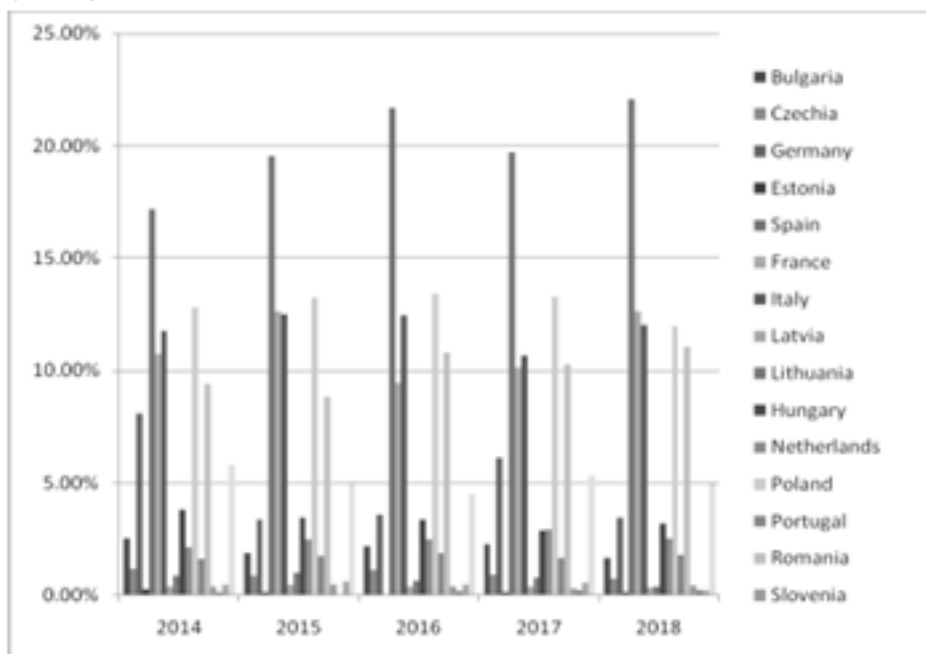
Figure 3: *The volume of agricultural labour in some EU countries, 2017*



Source: authors` based on (Eurostat, 2019)

The volume of agricultural labor reflects in a greater measure the remaining character of labor intensive activity, mobilizing massive labor force, especially no salaried, as could be remarked from the figure above. The agricultural labor employed is the one of the major topic debated when come to CAP effects. Despite the fact that agriculture has been massively modernized and orientated to the market efficiency principles satisfaction, labour inputs have kept almost the same shares in this economic sector.

Figure 4: *Evolution of entrepreneurial income in some EU countries, 2014-18*



Source: *authors` own computations based on (Eurostat, 2019a)*

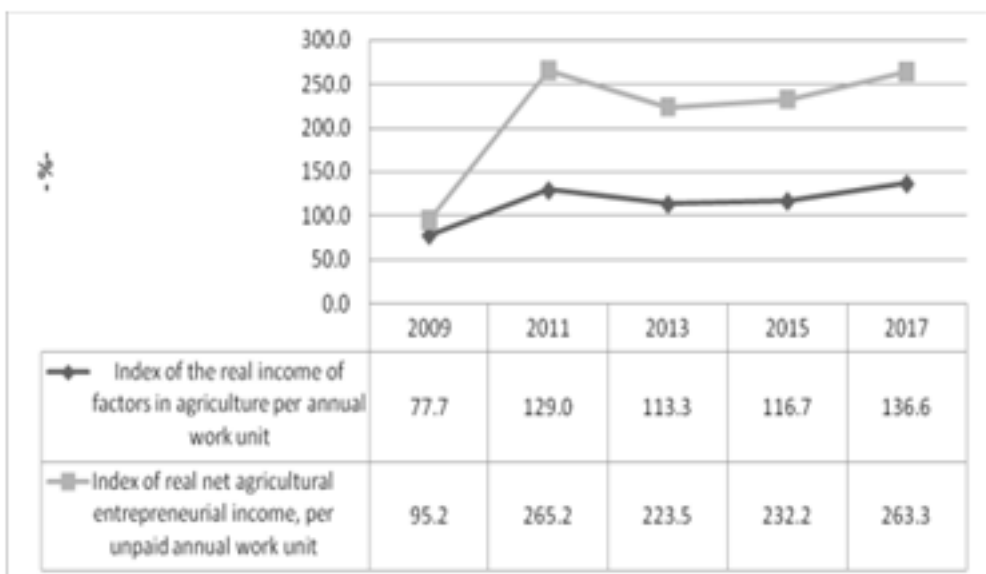
According to (Eurostat. 2019) statistics "the EU agricultural labour input was the equivalent of 9.4 million full-time workers in 2017 and reflects the amount of the notional workers that are remunerated with agricultural income." The decline rate of agricultural labor force could be considered as a sign of workforce orientation towards other economic sectors that generate a high gross added value, as well as an increase in the sectoral technology rate. The decline rate of the workforce in agriculture is different from one Member State to another, including the endogenous effects of national policies of valorizing domestic economic potential.

However if we consider the total agricultural labor input, the majority was non-salaried, which was appropriate (Eurostat, 2019) equivalent to 6.9 million full-time workers in 2017, while the salaried labor input was the equivalent of 2.4 million full-time for the same reference period.

On the other side, another complementary aspect is represented by the evolution of different indexes of incomes, specific to the agricultural sector, from which agricultural entrepreneurial income represents a milestone. In figures 4 and 5, the evolution of entrepreneurial income, index of the real income of factors in agriculture per annual work unit and the index of real net agricultural entrepreneurial income, per unpaid annual work unit, is presented.

The evolution of entrepreneurial income (fig.4) could describe an upward trend in most of the analyzed countries, which reflects an appreciation of the economic activities in agriculture and its potential to generate revenues. Although agriculture is appreciated as an economic branch that most often generates modest business gains, it can reorganize a large part of its work and business resources to capitalize on unexploited potential. To support this, the evolution of two revenues` indexes is presented in fig.5.

Figure 5: *Evolution of two income indexes, in some EU countries, 2009-17*



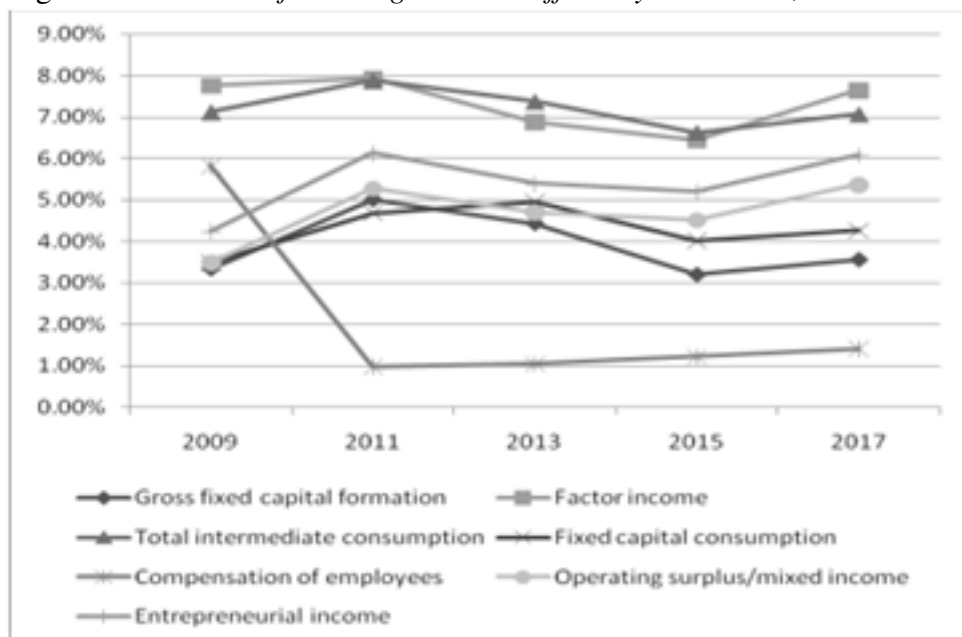
Source: *authors` computations based on (Eurostat, 2019a)*

In the case of the index of the real income of factors in agriculture per annual work unit and the index of real net agricultural entrepreneurial income, per unpaid annual work unit, a pronounced increase in recorded values can be noticed. The most relevant values are in the case of the unpaid labour force. Agriculture still uses the family workforce in valuing the agricultural potential.

Taking into consideration the role of agriculture in modern economies, a good and profound understanding of these evolutions may offer an efficient framework in valuing both the EU agricultural potential and the national ones, in a wider perspective.

Despite some literature opinions as (Barbu, 2011) who argued in his study that Romanian agriculture is mainly a subsistence agriculture with a low degree of profitability, the recent evolutions designate an appreciation of the efficiency degree.

Figure 6: *Evolution of some agricultural efficiency indicators, 2019-17*



Source: *authors` own computations based on (Eurostat, 2019a)*

If we are referring strictly to the Romanian agriculture, fig.6 presents the evolution of the most elementary elements in designing the agricultural performance and evolution. In this context, the following indicators were

chosen: total intermediate consumption, fixed capital consumption, compensation of employees, operating surplus/mixed income, entrepreneurial income and factor income.

The evolution of the indicators presented in fig.6 argues a stability of the Romanian agriculture performance during the considered period, which may lead to the conclusion that the agricultural sector has appreciated its exploitation performance. The Romanian agriculture should be analyzed and understood in a direct connection to the Common Agricultural Policy (CAP) agenda. From this perspective, the future of CAP will design the national agricultural evolution, more than ever.

Romanian Agriculture and the future of Common Agricultural Policy

If in the first part of the paper we have analyzed the agricultural efficiency in some EU countries, including Romania, from a broader perspective, this section is dedicated to future impact of CAP reforms. Romanian agriculture has quickly integrated and adapted to the functioning of the CAP, and it is the sector that manages to absorb European financial allocations. Although the CAP has produced significant benefits to European agriculture, contributing to improving agricultural production and food safety and security, it nevertheless marks areas where it has not excelled. Biodiversity, the environment and the preservation of local traditions are just a few of these areas where the CAP needs to improve and excel.

The expanded size of the CAP, as well as its extensive flexibility and adaptability, make farming a more profound confrontation with the European agricultural model. The CAP cannot act outside the European agricultural model, and it is itself a determinant part of it. As (Lakner et al., 2019) argues "over the past decades, the EU's Common Agricultural Policy has been supporting farmers but at the same time, one could observe a sharp decline in farmland-biodiversity". Under these conditions, the CAP should fund the production using the environmental filter. On the other side (Cortignani & Dono, 2019) advocate that "the new greening rules generate positive but limited environmental impacts, which reinforce those already determined by the previous CAP reform".

A positive redefinition of the CAP therefore requires a modernization of the specific instruments but also a simplification of the operating

mechanism. Keeping the two pillars, inclining towards agri-environment measures, stimulating young farmers contributes fundamentally to the success of these policies.

Redefining and reforming the CAP must continue and keep the positive aspects of the current policy implementation but equally respond to the new challenges in the field, focusing on the demands of the European agricultural model. The reorientation towards the industrial model of agricultural production developed in other areas should not be regarded as an objective of the CAP. The European agricultural model is based on a largely family-friendly agriculture, without extinguishing the industry.

As (Milczarek-Andrzejewska et al., 2018) concluded in their study "that in the case of the least urbanized regions with small farms, CAP's contribution to increases in farmland prices was very high and hence CAP implicitly hampered farmland turnover, thereby leading to economic conflicts between farmers' (Milczarek-Andrzejewska et al., 2018). On the other hand, (Kuhmonen, 2018) concludes that "policy design and delivery has become the most extensively considered problem of the CAP", and for this reason a more proactive approach is need.

Examining the above reasons, Romanian agriculture is facing a new challenge regarding the convergence to the EU-CAP evolution. The significant contribution of agriculture to GDP formation, the labor resources mobilized in this sector and the high share of the rural population make agriculture an economic branch with large economic, social and environmental valences. The meanings of new CAP evolution imply a redesign of national agriculture. There are still numerous debates for reducing the CAP budget and reallocation to other activities. For example, the proposals to reduce the CAP budget are presented in Table 3.

Table 3: *The proposals to reduce the CAP budget*

,000 €	2014-2020 (EU28+EDF)	7*2020 EU27+EDF	2014-2020 (EU27+EDF)	2021- 2027	% change vs EU27 2020*7	% change vs EU27 2014- 2020
MFF(Current prices)	1,115,919	1,151,866	1,063,101	1,279,408	+11%	+20%
% GNI	1.03%	1.14%	1.16%	1.11%		
CAP(Current prices)	420,015	394,659	391,849	378,920	-4%	-3%

MFF(2018 prices)	1,136,105	1,107,138	1,082,320	1,134,583	+2%	+5%
CAP(2018 prices)	428,354	379,334	399,608	336,623	-11%	-16%

Source: *European Economic and Social Committee, (2018)*

As can be remarked from the data presented in the table above, the proposals to reduce the CAP budget from 38% of the EU budget over the 2014-2020 period down to 28.5% in the 2021-2027, which could represent in this case a negative effect for Romanian agriculture. Any reduction of the CAP budget means for Romania smaller sums received for sustaining agriculture and modernizing it.

As it is presented by (European Economic and Social Committee, 2018), the cuts to the CAP budget vary between 3% and 4% in current prices and 11% to 16% in 2018 prices (taking account of inflation at 2% p.a.), depending on the method of calculations used". In case of the rural development financial allocation, in the same proposal, the cuts in 2018 prices are higher than 25 %.(European Economic and Social Committee, 2018)

For a complementary comparison, the union support for types of interventions for rural development and attracting young farmers and facilitating business development are presented in Annex 1 and 2.

Conclusion

Romanian agriculture has experienced profound transformations of the functional paradigm under the CAP requirements. Appropriate financing of the CAP is a mandatory condition for achieving the sustainable development of European agriculture as a whole and for each Member State. Its major implications on the viability of rural communities that are largely dependent on agriculture, farmers' income, rural development as well as related areas require a future CAP reassessment on principles that meet the new challenges and policy objectives. At the same time, the CAP specific financial mechanism must support a resilient development of agriculture. Direct payments under the first CAP's pillar must fund viable farmers that meet environmental requirements and create sectoral added value.

The results of this draft comparison approach regarding the influence of the common agricultural policy on the development of the EU agricultural sector and in particular to the Romanian agriculture, reflect the spill over effect of agriculture on inland economies. The comparisons made during the analysis argue that Romanian agriculture is convergent to the EU-CAP demands and fulfills to a great extent its economic functionality.

References

1. Andrei, J. V., & Darvasi, D. (2012). Perspectives and challenges in financing the new Common Agricultural Policy, a new paradigm. *Journal of Food, Agriculture & Environment*, 10(1 part 2), 904-907.
2. Andrei, J. V., Panait, M., & Alecu, A. (2015). Transformations of European agricultural sector, market and model under the influence of Common Agricultural Policy (CAP). *Competitiveness of Agro-Food and Environmental Economy*, 137.
3. Barbu, C. M. (2011). The Romanian agriculture-between myth and reality. *Annales Universitatis Apulensis: Series Oeconomica*, 13(2), 485.
4. Bojnec, Š., & Fertő, I. (2019). Do CAP subsidies stabilise farm income in Hungary and Slovenia?. *Agricultural Economics*.
5. Ciutacu, C., Chivu, L., & Andrei, J. V. (2015). Similarities and dissimilarities between the EU agricultural and rural development model and Romanian agriculture. Challenges and perspectives. *Land Use Policy*, 44, 169-176.
6. Cortignani, R., & Dono, G. (2019). CAP's environmental policy and land use in arable farms: An impacts assessment of greening practices changes in Italy. *Science of the Total Environment*, 647, 516-524.
7. Détang-Dessendre, C., Geerling-Eiff, F. A., Guyomard, H., & Poppe, K. J. (2018). EU agriculture and innovation: what role for the CAP?. Wageningen University & Research.
8. European Commission (2017), Modernising and Simplifying the CAP. Background Document. *Socio-Economic challenges facing EU agriculture and rural areas, Directorate General for Agriculture and*

Rural Development, available at: https://ec.europa.eu/agriculture/sites/agriculture/files/consultations/cap-modernising/soc_background_final_en.pdf, retrieve: [08.02.2019]

9. European Commission (2018), *COM/2018/392 final - 2018/0216 (COD)*, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A392%3AFIN>, retrieve:[09.03.2019]

10. European Economic and Social Committee (2018), *Opinion of the European Economic and Social Committee*, CAP legislative proposals NAT/747, Rapporteur: John Bryan, NAT/747 – EESC-2018-03141-00-00-AC-TRA-EN

11. Eurostat (2019). *Performance of the agricultural sector*, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance_of_the_agricultural_sector#Value_of_agricultural_output, retrieve: [07.03.2019].

12. Eurostat (2019a). *Economic accounts for agriculture*, available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=aact_eaa05&lang=en, retrieve: [07.03.2019].

13. Gardner, B. (2006). *European agriculture: policies, production and trade*. Routledge.

14. Henke, R., Benos, T., De Filippis, F., Giua, M., Pierangeli, F., & Pupo D'Andrea, M. R. (2018). The New Common Agricultural Policy: How do Member States Respond to Flexibility?. *JCMS: Journal of Common Market Studies*, 56(2), 403-419.

15. Kiryluk-Dryjska, E., & Baer-Nawrocka, A. (2019). Reforms of the Common Agricultural Policy of the EU: expected results and their social acceptance. *Journal of Policy Modeling.*, <https://doi.org/10.1016/j.jpolmod.2019.01.003>.

16. Kuhmonen, T. (2018). The Evolution of Problems Underlying the EU Agricultural Policy Regime. *Sociologia Ruralis*, 58(4), 846-866.

17. Lakner, S., Holst, C., Dittrich, A., Hoyer, C., & Pe'er, G. (2019). Impacts of the EU's Common Agricultural Policy on Biodiversity and

Ecosystem Services. *In Atlas of Ecosystem Services* (pp. 383-389). Springer, Cham.

18. Manoleli, D. G., Campeanu, V., Giurca, D., & Chivu, L. (2004). Setting the development priorities for Romanian agriculture and rural sector: The impact of the new common agricultural policy reform (No. 11). *Pre-Accession Impact Studies II*.

19. Mattison, E. H., & Norris, K. (2005). Bridging the gaps between agricultural policy, land-use and biodiversity. *Trends in Ecology & Evolution*, 20(11), 610-616.

20. Milczarek-Andrzejewska, D., Zawalińska, K., & Czarnecki, A. (2018). Land-use conflicts and the common agricultural policy: evidence from Poland. *Land use policy*, 73, 423-433.

21. Renwick, A., Jansson, T., Verburg, P. H., Revoredo-Giha, C., Britz, W., Gocht, A., & McCracken, D. (2013). Policy reform and agricultural land abandonment in the EU. *Land use policy*, 30(1), 446-457.

Annex 1: Breakdown of union support for types of interventions for rural development (2021 to 2027) referred to in article 83(3)

(current prices, in EUR)

Year	2021	2022	2023	2024
Bulgaria	265 462 940	260 257 785	255 154 691	250 151 658
Czech Rep.	243 847 768	239 066 440	234 378 862	229 783 198
Germany	932 828 433	914 537 679	896 605 568	879 025 067
Estonia	82 807 411	81 183 737	79 591 899	78 031 273
Spain	943 455 836	924 956 702	906 820 296	889 039 505
France	1 139 511 952	1 117 168 580	1 095 263 314	1 073 787 562
Italy	1 197 041 834	1 173 570 426	1 150 559 241	1 127 999 256
Latvia	110 541 260	108 373 784	106 248 808	104 165 498
Lithuania	183 924 845	180 318 475	176 782 819	173 316 489
Hungary	392 196 885	384 506 750	376 967 402	369 575 884
Poland	1 241 877 681	1 217 527 138	1 193 654 057	1 170 249 075
Romania	909 815 361	891 975 844	874 486 121	857 339 335
Slovenia	96 351 317	94 462 075	92 609 878	90 793 998
Slovakia	214 550 513	210 343 640	206 219 255	202 175 740
Total EU-27	10 582 808 505	10 375 302 457	10 171 865 154	9 972 416 815

Year	2025	2026	2027	TOTAL 2021-2027
Bulgaria	245 246 723	240 437 964	235 723 494	1 752 435 255
Czech Rep.	225 277 645	220 860 437	216 529 840	1 609 744 190
Germany	861 789 281	844 891 452	828 324 953	6 158 002 433
Estonia	76 501 248	75 001 224	73 530 611	546 647 403
Spain	871 607 358	854 517 018	837 761 782	6 228 158 497
France	1 052 732 904	1 032 091 083	1 011 854 003	7 522 409 398
Italy	1 105 881 623	1 084 197 670	1 062 938 892	7 902 188 942
Latvia	102 123 037	100 120 625	98 157 475	729 730 487
Lithuania	169 918 127	166 586 399	163 319 999	1 214 167 153
Hungary	362 329 298	355 224 802	348 259 610	2 589 060 631
Poland	1 147 303 015	1 124 806 877	1 102 751 840	8 198 169 683
Romania	840 528 760	824 047 803	807 890 003	6 006 083 227
Slovenia	89 013 723	87 268 356	85 557 212	636 056 559
Slovakia	198 211 510	194 325 010	190 514 716	1 416 340 384
Total EU-27	9 776 879 229	9 585 175 716	9 397 231 093	69 861 678 969

Source: *European Commission, 2018*

Annex 2: Minimum amounts reserved for the objective "attract young farmers and facilitate business development" as referred to in article 86(5)

(current prices, in EUR)

Calendar year	2021	2022	2023	2024
Bulgaria	15 475 439	15 644 780	15 814 121	15 983 462
Czech Repub.	16 776 886	16 776 886	16 776 886	16 776 886
Germany	96 462 159	96 462 159	96 462 159	96 462 159
Estonia	3 354 430	3 453 356	3 552 281	3 651 206
Spain	94 203 434	94 346 677	94 489 919	94 633 162
France	142 955 739	142 955 739	142 955 739	142 955 739
Italy	71 203 710	71 203 710	71 203 710	71 203 710
Latvia	5 992 672	6 165 893	6 339 113	6 512 334
Lithuania	10 216 405	10 494 645	10 772 885	11 051 125
Hungary	24 395 393	24 395 393	24 395 393	24 395 393
Poland	59 459 556	60 071 486	60 683 415	61 295 345
Portugal	11 693 003	11 865 375	12 037 746	12 210 118
Romania	37 123 452	37 664 232	38 205 012	38 745 792
Slovenia	2 581 053	2 581 053	2 581 053	2 581 053
Slovakia	7 676 128	7 771 499	7 866 870	7 962 242

Calendar year	2025	2026	2027 and the subsequent years
Bulgaria	16 152 803	16 322 144	16 322 144
Czech Repub.	16 776 886	16 776 886	16 776 886
Germany	96 462 159	96 462 159	96 462 159
Estonia	3 750 131	3 849 057	3 849 057
Spain	94 776 404	94 919 647	94 919 647
France	142 955 739	142 955 739	142 955 739
Italy	71 203 710	71 203 710	71 203 710
Latvia	6 685 555	6 858 775	6 858 775
Lithuania	11 329 365	11 607 604	11 607 604
Hungary	24 395 393	24 395 393	24 395 393
Poland	61 907 274	62 519 203	62 519 203
Portugal	12 382 490	12 554 862	12 554 862
Romania	39 286 572	39 827 352	39 827 352
Slovenia	2 581 053	2 581 053	2 581 053
Slovakia	8 057 613	8 152 985	8 152 985

Source: *European Commission, 2018*

TOURISM OF THE FUTURE CONTRARY TO THE FUTURE OF TOURISM

Vidoje Stefanović¹; Nedžad Azemović²;

Abstract

Traditional comprehension of holidays or vacations as the needs for future better and more effective work and fulfilment of assignments, slowly will make a place to a somewhat different philosophical understanding of these notions where holiday or rest or relaxation acquires the place and function in the everyday life. In such a liberated way of life which is free and unrestricted by planned obligations anticipated for the activities, the content of holiday and even the touristic type of holiday would change as well.

Key Words: *tourism, tourism development, tourism potentials*

JEL classification: A1

Introduction

Significant movements or improvements in behaviour have to be expected, in future, in constantly decreasing orientation toward consumption which created conditions for "life without really living". Consumption fever which appeared in the time of changing of some environments from agricultural to urban and productive areas culminates in entirely changed types of living which accepted unwanted shapes of non-humanized, industrialized and non-natural life. Living is spending or, better to say, one lives and earns in order to spend but not vice versa. Today, there are a great many people who are ready to work less and earn less in order to have much more time to "live their own life" as it is usually said.

¹ Vidoje Stefanović, PhD, Full professor, Faculty of Science and Mathematics, University of Nis, Visegradska 33, 18 000 Nis, 064-2297-077, widojes@yahoo.com

² Nedžad Azemović, PhD, Assistant professor, Business Academy in Novi Sad, 064-1299-542, n.azemovic@yahoo.com

About the future of tourism

When a human being satisfies his own existential needs, and especially when a certain degree of material wealth is attained, he turns to some other values in life. In such occasions spiritual things become prevailed over in the relation toward material ones. Already today, such meanings are confirmed in the touristic practice of many others specially the developed European countries. In such a direction the humankind would move in the future, most possibly only in small steps, but constantly moving forward. Constant increase of interests for non-material goods will lead to the affirmation of values such as freedom, decision-making, self-determination or similar. Art of living and the art to make life better and fulfilled, more qualitative, would be put in front of the standards understood predominantly as material wealth. Nevertheless, nobody starts going toward the future from the same starting point and the differences are not only enormous but often uncompensated, and for the most of them, from the nowadays level of knowledge, even unsurpassed. But, on one side, in the future there will exist development which would, more or less go toward well-known directions from the past but today well developed ones and on the other side, new tendencies of freedom and release from work will be developed as well as creation of the so called society of "the kingdom of freedom" (Alheldt, 1982).

But, these "two worlds" would constantly meet each other in numerous mutual relations in which tourism is just one of many such relations although it is the most delicate one. It is hard to suppose in which direction the process of fulfilment of constantly new and developed needs of tourist will be going because tourists mainly come from developed countries or environments into the areas with different living criteria and standards. In such topic there is the greatest number of unknowns of the future of tourism. It is probably easier to anticipate events and processes which will go on in each of these environments separately and individually than it is easy to estimate "the ways" and "modalities" of their meeting in tourism. Accordingly, when we speak about new orientations in life and in future as Horst Opaschowski (1982) does then these thoughts have to be put in the limits of the developed world of today (p.121).

Receptive touristic countries must take care of the motivations of touristic movement in new and changed living conditions, whatever the category of general development they belong, of the developed countries and also

must pay special attention to their own offer which has to be adapted to the needs and wishes of the future users regardless of the fact that these needs and wishes differ from general characteristics of life flows in their own environment. Only in such a context some thesis of Krippendorf (1984) or Schwaninger (2010) could be accepted as well as the philosophy of humanized and humane tourism in the future (p.176). As much as these theses looked or appeared attractive, they, however, in their most parts, relate to the developed world. It does not mean that these theses by their content are not universally acceptable in the form of the philosophical attitude about the state toward which one must tend to but not as the real path toward which everybody will move according to the anticipated and wished targets. Tourism, at the end of the twentieth century, became a dominant type of relaxation and rest and "the greatest individual activity of the world". But, are the assumptions and promises of Herman Kahn (1978) going to be fulfilled (p.64)? Is tourism, in the following twenty five years, going to be in the constant increase as it has been in the last twenty five years? Those are the questions which are not stated for the first time. Answers are tried to be given by almost all those who deal with tourism, but of course, from their own points of view and those are the reasons for many different attitudes in interpretation. Numerous authors dealt with the future of tourism of which the most famous are M. Schwaninger; J. Krippendorf; J.R. Mac Gregor; G.Kibedi; F. Emery; S. Papson; J. W. M. Van Doorn; R.R. V. Baron.

Most authors dealing with tourism on whatever way they have chosen, agree that the future of this phenomenon will depend greatly on the world demographic situation of on development and structure of population. But it will depend most on economic potentials not only of population in the emissive but also in the receptive touristic countries. The future of the phenomenon of tourism will depend on the greater amount on the factors outside this phenomenon than it will depend on the phenomenon itself. Stephen Papson (1980) categorically confirms "that the dynamic increase of tourism in the world will be influenced and preconditioned by free time, by increase of new middle class of population, by transport technology coverage, by the very nature of labour itself, by wide range of usage of communication technology" (p.141).

It has to be believed that tourism of the future will not be the same or alike in anything that it is the tourism of the present moment. Changes from the past will have to become more significant in the future because they are of such a character and intensity that they simply must have their

impact on entirely different appearance of touristic present. Technological improvement and technological prosperity of the means of transportations will provide and enable great speed of transportation which would enable travelling from and to the enormous distances, supposing that "normal growth rate" of world production and the gross national income per inhabitant help. (Alheldt, 1982). It would especially stimulatingly act upon the most far distant touristic destinations today in the sense that they are the most attractive emissive areas. For tourism, there is the confirmation and statement of the special importance which says that the capacity of the means of transportation will increase in all branches of traffic and transport. In witness whereof we are telling the assumption that, at the beginning of the 21st century, collective means of transportation will dominate over individual means of travel with the exception (most probably) of the means of transportation which do not use fuel, as for example, a bicycle is. It seems, that probably right and, of course, logical is the estimation of the World Tourist Organization that in the future the redistribution of international touristic flows will happen. Today, namely, about 70% of the total international touristic turnover of the whole world is concentrated in the developed countries. Such, concentration is more emphasized for the benefit of the developed if the domestic touristic turnover and travel would be added to the number of the international number of travels. In the same way, it seems logical that one of the fundamental reasons for redistribution will be saturation of numerous touristic localities and even the whole areas in the middle of the twenty first century.

The intervention of the state authorities in the activities of tourism, or dealing of state authorities with tourism, have to represent a very important part of the change of development of tourism in the future. It specially relates to the intervention concerning the increase of the fund of free time, and in the sense of the social role tourism might have, which would inevitably influence the increase of the total mass of overall touristic demand in the world, especially in the countries and on the continents where domestic population had not even made the first steps toward tourism such as Africa, Asia, South America (Avelini, 2002).

The past development as a basis for the future

Differently from modern tourism in which we participate in various ways, in the previous stages of development of human society and its

civilization, there were movements of people with similar touristic affinities.

At the levels of various development stages of the society in general there had been individuals and groups which had not only the surplus of free time but also the surplus of free material or financial assets or means which they used to spend outside their residential places with the aim and for the purpose of rest and leisure in spas, bath and climate resorts, curing places and other resorts participation in many different cultural and sports events. Human beings have been travelling through the history forever regardless of the stage of modernization of roads and accommodation of traffic and means of transportation.

Our knowledge says that such travels had neither notified as touristic nor had the participants of such travels called the tourists but it does not mean that we have to neglect it because, in some places, they were massive for such occasions and for that period of time (Vujić, 2004). Differences between modern tourism and similar phenomena and processes in the past, need not be looked for in the fact whether or not conditions for tourism really exist, because such conditions existed long ago, especially the natural conditions, which are older than human society. Differences are seen in the size of turnover of assets and the volume of travel as well as in social importance and migrations of people from the main into the touristic places, from the domestic into touristic regions and differences are also perceivable in the ways of social organizing, in production in exchange of goods and merchandise, in distribution of the results of work in degree or level of consumption and in many other factors (Stefanović, 2017).

History of tourism development in the world is long and many-sided in its differences and variety. History of tourism development is full of events; it is complementary to the development of human freedom in any sense; it is connected to the shortened working time, with traffic, with living standard, and with international relations, so being such, it is the subject of study of several scientific disciplines and it is the subject of engagement of several disciplines of operative activities. Almost everywhere and almost ever, from the old Greece up to now, society and state in different ways, positively influence the development of tourism. The reason for this are really understood social and economic effects which give priority to tourism comparing to other activities. Each stage or phase of society development has corresponding emphasized and realized

wishes and possibilities of travel for the purpose of fun, joy, leisure, cure, medical treatment, acquaintance with different geographic areas and the works of human hands in them.

In that sense the knowledge of basic production and social relations is important because the part of the past can be designated as the tourism of the privileged classes, differently from the modern state of tourism when the greatest number of tourist comes from the category of direct producers and those are the people who by their work acquire the right of paid leave, holiday, free days from work and they also own the means for satisfying of touristic needs (Stefanović & Azemović, 2012). This phase of development of tourism is identified as the period of working class tourism, or is called mass tourism or social tourism but it is certainly the modern tourism. In the attempt of systematization of development, types or phases of tourism and similar phenomena in the past, it is possible to differentiate three periods: a. Travels before the appearance of tourism, b. Period of return to nature, c. Period of modern tourism

Travels before the appearance of tourism

The earliest period is the longest from the current standpoint of understanding tourism, but also the most unknown and worst, according to the opinion of the number of tourists. It covers the period from ancient and the oldest ever known civilizations up to the beginning of the 19th century. It is the time when the members of the privileged classes travelled around the world and those travels could be found noted in written material even in the period of slavery, then through feudalism up to the beginning of capitalism. Long travels or voyages were rather individual and sporadic but shorter travels were frequent and massive. Long travels were practiced in order to find out, discover, see or acquire new knowledge and such travels were very tiresome and risky even tragic. Short travels were massive and they were experienced for the sake of religion or sports but sometimes even for the purpose of amusement. Rare travellers from the oldest and most ancient times have their place in the history of the world because they traced the paths of science and broadened the frontiers of ecumenism. Herodotus, in the fifth century B.C. (before Christ), was the father or the founder of history and also was the greatest traveller and explorer in the ancient times as it was Ibn Batut (Arabian from 15th century) in the Middle Ages. Marco Polo, a Venetian, has to be mentioned here because of his long voyage in 13th century through the Central and Eastern Asia. In the New Ages individual travels

were quite frequent and in the Middle Ages a travel book gets special place in the history of literature. In the period of Slavery and social environment of slave hunting, travels outside the residential place were practiced only by a limited number of people. Such groups could see some newly formed and constructed attractive towns, also they could travel by newly constructed road, could visit accommodation objects (Stefanović, 2017).

In these times, the cult of healing thermo-mineral wells was created, people went hunting or visiting various feasts and religious gatherings and places of religious pilgrimage; many of these places remained well known destinations of individuals and groups up to the se times. Change of natural economy into money – merchandise trade as well as the appearance of higher volume of trade had not influenced significantly the economic effects of tourism. Travels in expeditions were more frequent than individual travels and they had been executed for the purpose of wars or much more often for the sake of trade. Travels as the forerunners of touristic movement in that sense were characteristic of Persia, Phoenicia, Egypt, Babylon, Venetian Republic, Roman Empire, Palestine and Ancient Greece.

Period of return to nature

The second period of development of activities similar to tourism starts at the beginning of 19 century and acquires modern characteristics. Much shorter from the first, this period has clearly differentiated phases.

The first phase always has the character of travel of the people of the privileged classes. Although the importance of migrations is increased with the aim of holiday making and recreation, massive tourism still does not come into the first plan. In 1827, the German publicist Karl Bedeker (1801 – 1859) founded in Kablentz the enterprise for publishing of touristic guides which, according to him, carry the name of Bedeker (Stefanović & Azemović, 2011). The end of the previous century was marked by Mischlene guides. Red Series, of which today there are about 580 000 copies, refers to restaurants and hotels of France. Green series is dedicated to the historical sights of France. The recent series Neos (north, east, west, south) covers data about touristic historical sights of foreign countries. It has to be felt that the feeling and influence of teaching concerning return to nature is fell and such teaching appeared under the influence of the well-known carriers of Romanticism (Jean Jacques

Rousseau, Francois Chateaubriand, and Johann Wolfgang von Goethe). Pointing out the idea of "return to nature" Jean Jacques Rousseau moves and animates many famous people of his time to travel by discovering the beauty of stay in nature. Beauty of nature is also glorified by German Writer Johann Wolfgang Goethe (1749-1832) who travelled through Switzerland, Italy, France, French writer Francois Rene de Chateaubriand (1768-1848) who travelled to America presented himself through books "Travels from Paris to Jerusalem" (1811) and travel to America (1827). There is also emphasized the novel by the writer Gustave Flaubert (1821-1880) who travelled through America, Asia Minor, Greece and Italy as well as English poet George Lord Gordon Byron (1778-1824) who travelled through Europe and the Near East spreading the elements of touristic culture in such a way (Stefanović & Azemović, 2012).

Migration and travels to unknown areas started to be considered as the elements of prestige, education and upbringing. The most famous for these travels are the English who cherish "great tours" and such tours are supported and also practiced by constantly increasing number of Germans. Among very important destinations we can quote the Alps, especially in Switzerland, which became the synonym for tourism and is still keeping that title up to this days. Regardless of the fact that middle class society (bourgeoisie class) acquired its reputation as early as 19 century, more increased influence of such changes and their impact on the touristic travels and migrations is felt only at the beginning of the second half of 19th. century. Participants of touristic travels in the second half of 19th. century are not only aristocratic but even more the members of young middle class (industrial workers, tradesmen, bankers). People of free professions start going on touristic travels, then also scientists and professors migrate, as well as clerks. As it can be seen, social structure of migrants has been radically changed through time, and the participants of touristic travels also changed their attitude. Tourists are not only the people of privileged classes and the rich individuals, but it further means that possession of wealth becomes basic precondition for inclusion of population of the determined countries into the touristic travels. Capital or money gets the importance not only as the means of realization of touristic travels but also as the basis for development of touristic economy which is again the precondition for further and quicker development of tourism. It further means that the middle class society entered qualitative radical changes in the touristic travels from the stand point of the number of participants and their financial structure as well as from the standpoint of creation of material and technical conditions for development of

tourism as the business and economy activity. Here, we have to point out the importance of traffic, first of all railway traffic, its usage for touristic travels and to point out some phenomena of new organizational forms of travel. Railway make possible realization of mass transportation of passengers and travellers in general to the distant places, in relation, to the previous means of transportation pulled by horses. Increased number of tourists influenced the owners of financial means to finance construction of touristic and restaurant objects. French writer and philosopher Jean Jacques Rousseau (1712-1778) by his book "Return to Nature" had not found support among his fellow citizens, so they had not approved his work and were not delighted by his ideas. Negative attitudes to this book were especially stated by Fransoa Mari Arue Volter (1694-1778) who was also a writer and a philosopher. In a letter written to Rousseau he says, "I have written your book with great interest but I am astonished that one great mind as you are, advise people to walk on their four legs. I must admit to you immediately, that the time of my previous life was so pleasant and I like to walk on two legs and it does not strike my mind to go on my four. When I get sick, I will visit the doctor in Paris, London or Berlin but not in Senegal".

For the stated period of time special importance for the history of tourism has the appearance of the Englishman Thomas Cook (1808-1892) who organized in 1841 the first group travel by railway from Lester to Loughborough at the distance of 35km.

Period of modern tourism

Modern period of tourism development starts after the Second World War and lasts even today. This period is characterized by clear definition of countries and regions of initiative and receptive tourism with the existence of such countries which give and receive great number of tourists (USA, France, Germany, Italy, and Great Britain). Numerous types of tourism are developed and there are some new previous types of tourism (naturism, photo safari). Touristic offer is adapted and created by touristic demand. Tourism becomes more and more important source of income of many settlements, regions and countries. Material basis becomes more and stronger in every domain. In the aim of improvement of international tourism also works the OUN or the Organization of the United Nations. Regional world institutions from the domain of tourism are founded. In many countries, much clearer than before, the right of the employed to the paid holiday is defined and confirmed. Increased are the

financial means for social partially paid tourism which is financed by companies of the employed and the network of working class rest homes and hotels (Stefanović & Azemović, 2012). Cultural and sports events become more and more frequent and visited. Cars become synonyms for touristic migrations and picnics. Wishes and needs for acquaintance with far distant areas become more and more emphasized. Data show that international tourism in the world developed most intensively between 1950 and 1960. Several countries quickly and efficiently built numerous tourist and accommodation objects and by the very offensive advertising imposed themselves to the world touristic market. This also holds true for the period between 1961 and 1965 and after that comes some slight decrease of yearly rate of growth which specially was characteristic for the period from 1981 to 1985. After that yearly rate of growth was kept at the level of 3.5 and this is the rate that is estimated the future.

A great number of business activities is connected to the touristic business which is of great importance for creation of complete touristic offer and supply and corresponding level of services. Inside some political and economic communities and regional associations, people travel without passports and use common foreign currency (Stefanovic & Azemovic 2011). Travel checks and credit cards are introduced so the problem of foreign exchange and foreign currency rates is made much simpler. By giving discounts touristic migrations in the off-season months have been made more available. Beside economic functions tourism is accepted also as the element of culture education, health problems, home land appreciation, patriotism and internationalism. Introduction of fives day long working week, and acquiring of 104 free day in a year are the greatest success. Many of these days could be used for touristic migrations which means that part of consumption of goods and money from the main places and countries comes into touristic places and touristic countries. Yearly growth rates of the number of tourists and income on the basis of foreign tourism in the world are somewhat greater and higher than general growth rates of the world economy. It means that tourism is a very popular business activity so many countries take special care about it. Judging by the yearly growth rates, international tourism in the world is approximate to the international trade. Its yearly growth rates in 1994 equalled 8.7%; in 1997 were as high as 9.9% and in 1998 were lowered to 3.3% but for the year 2000, they are estimated to be 5.8%.

Modern tourism is studied from different aspects and points of view because it is the business activity in which a great number of people is employed. Many of them give services to the tourists which in 1989 in the international migrations numbered 414 223 000 and together with domestic tourism it was more than 2 billion of tourist and this is only one third of the population on Earth. Expenses for tourism in the world go up to 12% of the total national product of 6% of the value of the world amount, 20 to 30% of the value of all services and 15% of all investments.

Having been stabilized at 3% of yearly increase of basic indices of touristic turnover (tourists, income, accommodation, and spending night) international or foreign tourism show some differences even between the two analysed years. In such a manner, number of tourists and the income in 1996 comparing to 1995 in the world equalled 3.6% and between 1997 and 1998 the increase was only 2.4%. Differences between some countries with great vas areas and between continents are specially emphasized. Almost always Europe has been the most frequently visited continent while Africa, even much more special, find itself at the beginning of the intensive development of foreign tourism. America, as a whole, goes behind Europe but U.S.A with more than 47 million of foreign tourists in 1998 came up to the third place in the world and by 74.2 billions of dollars earned in tourism overcame all countries in the world individually.

Tourism-free time and travels

Migrations of people are as old as human society. Such migrations taken from different reasons, and of various duration, of different environment in which they are taken, of smaller or greater number of participants and groups and types of means of transportation are well known and well-studied through the examination of different geographic, demographic, sociological, historical and economic individual cases. Tourism represents a specific kind of human migrations (Stefanović, 2017). A really great number of people on all continents take part in it during all yearly seasons and different geographic spaces and areas. Modern society and tourism are two mutually narrow and connected categories which have their history, present and future. Tourism is the mirror or reflection of development of society and it is the measure of material and cultural wealth, good neighbouring relations, good inter-state and international relations, appearances, phenomena and processes. Economic and cultural

wealth wishes and habits of traveling are the urgent and inevitable at the touristic travels so this phenomenon has universal importance and character. Being a very massive phenomenon of great power of integration and a high degree of multiplication, tourism gets into many elements of life and social and natural reality. In many countries, it equally and indirectly treated in legislature economy, investments, cultural and sports manifestations, general and intended advertising, education, social and health insurance, designs and environmental safety and protection, bilateral and multilateral cooperation of institutions, countries, people and nationalities. Being a quite modern phenomenon tourism is accepted and understood differently depending on environment, region and states so it additionally makes it compound and it makes geographic explorations more interesting and challenging.

The positive influence of tourism

Modern tourism in the world is characterized by massiveness. Mankind does remember such great migrations until the appearance of tourism because tourism expressed itself through massive migrations. Having grown out of the needs of satisfying recreational, sports, health, manifestation, cultural and other habits, tourism has spread over vast areas of space and extended the basis of business activities and earning by entering many new elements into the environment. Touristic migrations covered the whole world and are influenced by the changes in the way of life and the wish for exploring new frontiers with the active rest in the healthy environment which is functionally and physiognomy different from the place of residence. The fact is that the tourists a long time ago conquered almost all parts of the Earth and caused a great number of positive and negative changes, phenomena and processes. Tourism protects the space from other business activities. At the places where tourism is developed some other business activities which pollute environment could not be developed. For tourism, top-quality environment is the basis and frame of development and because of these reasons, there must not exist any cause of pollution of water, air, soil or vegetation. More than other business activities, tourism urges and creates actions of protection of natural, environmental and anthropogenic values which it highly valorises. National parks, natural reservations, protected monuments and monumental complexes, objects of world nature and cultural inheritance, localities from the list of the reserves of biosphere, clearly confirm manifold functions of tourism in the protection of goods. Beside this, tourism influences formulation of laws and legislation of the

environmental protection and is accepted in the special plans. Modern tourism contributes to reconstruction, restoring and revitalization of old buildings, fortresses, monuments and monumental complexes (Stefanović & Azemović, 2012). Modern tourism forms and shapes old town areas into touristic attractive ambient and builds new complexes (Disneyland, amusement parks) important for tourism. Contributes realization of administrative and planned measures of anthropogenic values and contributes to modification of some landscape wholes which, for other activities, does not represent any special interest. It arranges, organizes and valorises steep mountain sides, swamps, constructs settlements on previously unsettled places and areas and extends the border or limits of the ecumene in the special way.

Tourism, in its special way, gives aesthetical contribution and improvement of space in general. Aesthetically attractive space and protected and presented monuments are of special touristic value. Everywhere and always tourism emphasizes the need for aesthetic shaping of space and is fighting against objects which endanger its physiognomy. More than any other business activity tourism influences humanization of landscape and makes this landscape nicer and more beautiful because it is the basis for successful development. In such a way tourism "creates" the space of attractive appearance and corresponding functions. Touristic places and regions in which dominate hotels, restaurants, tree rows, parks, flower alleys, traffic lines, sports terrains, walking alleys, beaches, ski terrains could be designated as the products of modern tourism. Tourism urges the consciousness of people about the need for protection, revitalization and improvement of environment. This holds true for domicile residential population of touristic centres and regions and also for the tourists. In that sense acted the most important and old public organizations in the well-known touristic places. Names of some organizations clearly denote their sphere of activity and competence. Association for improvement of residential places is founded at the island of Krk in 1866. Association of Hygiene in the city of Hvar is founded in 1866 at one of the Adriatic Sea. In the year 1885 at the island of Mali Lošinj the Association for improvement of areas and, only a year later, in 1886 touristic club in Opatija was founded and established. In 1893 in Zagreb the history of tourism sees a new coming Association for improvement and embellishment of Plitvice Lakes, and the Association for improvement and decoration of Soko Banja, one of the most visited centres of mineral springs resorts in Serbia (Stefanović, 2017).

Modern tourism positively influences all actions of protection, reconstruction, restoration and revitalization of cultural –historical monuments, architectural realizations, city ambient wholes and entities, sacral and fortification objects. By reconstruction of some fortresses, country cottages, castles, trade and manufacture city sites, into touristic and restaurant objects, souvenir shops, museums and art galleries tourism gives them a new kind of life and new manifold useful economic and non-economic functions.

The negative influence of tourism

Unlike positive influences of tourism on the environment, in the centres and regions where tourism is over dimensioned and non-adequately justified, some negative appearances and processes appear.

For the massive tourism, it is needed to have large space and appropriate areas. Such large spaces for the purpose of tourism are acquired by decrease of agricultural areas, specially valleys, plains, forests, woods and agricultural complexes when we speak about mountain tourism. Touristic and restaurant objects and roads, railways as well as other objects of infrastructure together with their own terrains often are built on the places of cut woods or other agricultural areas. There are examples of cutting woods and forests for the purpose of making ski lifts and ski paths. Since the ski paths are sometimes poured by different chemical means and substances for the sake of longer preserving of snow there happens the appearance of individual process of erosion during the summer months (Stefanović & Azemović, 2012). Increased number of touristic means of transportation additionally increased the air pollution by the exhausted gases. Airplane traffic also cause air pollution while, from the floating objects planned for nautics, in the hydrographic objects sometimes come overdoses of liquid and solid waste material. Emphasized process of literization and increasingly developed tourism in some coastal areas and regions and on some islands causes and influences increased consumption of clear water and increased quantity of waste waters which often causes of increased quantities of insufficiently soluble materials and substances and coliform bacteria specially in the objects of the low power of self-regulation during summer touristic season. Chemical, physical and bacteriological pollution of hydrosphere could have catastrophic consequences for tourism, so this problem asks for adequate attention in the sense of prevention.

Different types or kinds of environmental polluters, specially non-controlled turnover of tourists, cause some changes of flora and fauna. Gathering of forest fruits, cutting woods, forest fire, combustion gasses, traffic traces and road and railways, engine noise, pollution of hydrographic objects and human neglect caused the disappearance of several plant and animal kinds and species and decrease of residence and area of many representatives of flora and fauna. Special damages are caused by uncontrolled hunting and excessive fishing.

Tourism can influence degradation of landscape in the local surrounding by over exaggerated construction as well as in over dimensioned objects. There are very frequent cases of inadequate monuments restauration and memorial complexes or overburdened and overcrowded infrastructure systems specially roads during the touristic season. High density of construction objects, their over-dimensioned appearance, emphasized looks in space and uniformity, are negative aesthetic and economic effects of tourism in relation to environment. This also holds true for some touristic settlements which turn into special towns and become the negation of themselves.

Anthropocentric characteristics of tourism

Man creates the basis of tourism regardless of the fact whether he is the initiator or organizer of touristic migrations or the function of reception of individuals and touristic groups. Appearances similar to tourism were frequent in the far away past, which were mentioned here, but tourism, in its real form and full importance, appeared only when a man acquired such living conditions and financial standards for his family and society to attain the high degree of satisfaction of basic material means and realized the right for paid yearly leave or vocation, state and religious holidays, so the free time started to be used outside the constant place of living and residence or in the touristic place. Special stimulus and urge to touristic migrations were received by the periods of peace and growth of living standards, period of decreased customs duties and passport formalities at border crossing as well as actions of the OUN for the purpose of announcing of the year 1968 to be the year of International tourism and actions of EEZ which proclaimed the year 1992 to be the year of European tourism. Differently from this the time of political unrest and war situations, in some countries, not only that directed touristic flows diametrically opposite to that places, but also influenced decrease of the number of tourists and their night spending which had

negative influence on anticipation and forecasting of touristic-catering business activities, traffic and other complementary economic and business activities as well as non-economic institutions.

Free time, free material means and the time of peace, are the basis of all mass touristic migrations as well in the scope of one country (domestic tourism) as between individual receptive and initiative countries (foreign tourism). In that sense Jost Kripendorf, one of the most famous theoreticians of modern tourism, rightfully emphasizes the following facts: "People often smile when i tell them that my life vocation is to think about free time and tourism. They obviously do not think that it is serious business because for them only labour is serious. Every time I have to apologize myself because of that. Free time and travel, then, are something secondary and less important although it is possibly the best thing in the world. I think it is more than that – it is individual happiness and welfare in our society. These are crucial questions. Free time and holidays must not be reduced to something which, without thinking, becomes the industry of amusement. People have been fighting for more free time for years and asked for more holidays. Today, we are going to fight the consequences of such improvement. If, in the middle of 1970-ties we started to study the influence of tourism on environment, today, when the travels became the unique massive appearance in history, human dimension is revealed as well as social-cultural problems and migrations in the free time (Vujić, 2004). We had to deal with this problem long ago". Since touristic migrations happen in geographic space, tasks of touristic geography on studying the line of appearances and processes are numerous and various. Starting from the science and going toward practice we can reach to the moment of problem solution. For tourism as a synonym of free time and travel some elements and factors are important. They act in the places of residence, at touristic journeys and touristic places. They are characterized by changeability of importance in time and space and they have their impact on tourism in two ways restrictively and stimulatingly. Elements of touristic movements can be identified with their special relation or position and connection of touristic values and residential places. After that, travels and stays in hotels come. They are of great interest for geography and the traffic economy because they are characterized by the great number of combinations and changeability.

Recreational elements of touristic movements are also emphasized. They relate to the special characteristics of appearance of recreational needs of

people in the places of constant residence and problems solution by the same participation in touristic migrations for the sake of recreation, healing, rehabilitation, prevention, active rest, mineral resort baths and climate resort healing and curing (healing in mineral springs resorts and baths), participation in the domain of modern medicine and balneoclimatology research. Cultural needs of people are different from recreational needs because cultural needs of people are satisfied by touristic migrations of people outside the places of permanent residence for the sake of knowing and experiencing of anthropogenous values, such as monuments, ethnographic inheritance, folklore, realization of drama and opera performances, exhibitions and manifestations of special interest for sociology, history of art, ethnography and tourism organizing. Numerous factors are of great interest for undisturbed performance of tourism and some of these factors are the basic stimulus of touristic movements and migrations. Such factors cover economic state and situation of people expressed by national income, family and personal income as well as possibilities, wishes, habits and needs to spend the part of it for the fulfilment of their recreational and cultural touristic needs. Economics of tourism studies these factors because they are basic movers of tourists from residential toward touristic places regions and states.

Instead of the conclusion

Generally speaking, in future, the political function of tourism has to be seriously counted on. "Travel with the aim of rest is the political action" Such political character in touristic purposes is twofold. A tourist, although, most often, without political signs on his appearance, while travelling, even unconsciously, and unintentionally, imports with him into the receptive touristic country, besides other own characteristics, also personal political attitudes which can significantly divert or be opposite from the same attitudes in the new environment. In such a way tourists, in their own way, become the spokespersons of political attitudes of their own country or the environment they come from. Not once, receptive countries of the world from the category of less developed, found themselves in the position to justify the luxurious behaviour of foreign tourist with the political system of the country of the environment he comes from.

Tourism of the future, or, better to say, the tourism in the future, will depend also on the developed business activities and on their improvement. This will increase the number of touristic visits.

References

1. Avelini, I. (2002). *Quality management in tourism and hotel industry*, Faculty of touristic and hotel management, Opatija.
2. Alheldt, H. (1982). *Der Mensch und seine Freizeit morgen*. Prognos Diskusion papir no: 7, Basel.
3. Kahn, H. (1978). *The next 200 Year*,. William Morrow, Svetlost, Zagreb.
4. Krippendorf, J. (1984). *Die Ferinmenshen für ein Neues Verstandis von Freizeit*, Orell Fuslli, Zurich.
5. Opaschowski, H. (1982). *Freizeit verandert den Alltag*, In: Animation, No. 12, Hanover.
6. Papsen, S. (1980). *Tourism: a limitless Industry*, Economic Impact, No. 1, Basel.
7. Schwaninger, M. (2010). Forecasting leisure and tourism. *Tourism Management*, Vol. 5, No. 4, 250-257.
8. Stefanović, V. (2017). *Economics of tourism*, Faculty of natural sciences, Nis.
9. Stefanović, V., Azemović N. (2011). Genesis of theoretical thoughts on the development of tourism. *Journal of Social Sciences-Themes*, Vol. 53, No. 1, 69-85.
10. Stefanović, V., Azemović N. (2012). Suva Planina as development area of rural tourism. *Journal of Agricultural Economics*, Vol. 55, No.2, 333-344.
11. Vujić, V. (2004). *Management of human capital*, Faculty for touristic and hotel management of Opatija, Opatija.

TOURISM, DEVELOPMENT AND ITS DISTINCTIVE FEATURES IN MODERN SOCIETY

Nebojša Pavlović¹; Nataša Simić²;

Abstract

The modern approach to the supply and demand in tourism is a new thing that changes the concept of what used to determine traditional tourism. The most famous world tourist destinations are going through a major crisis because of the political and environmental disasters which have struck them. The reason for this is the fact that the sea and the sun are not the most critical factors in the development of tourism today. Tourism is a behavioral pattern of a modern man. It is an integral part of the power that is shown in the individuals or groups who travel. In this way, a person can experience different cultures, national values, and the knowledge that are transferred to all the levels of society. The development in technology and information system has led to significant changes in the way tourism operates. The success of an organization depends on the implementation of information systems in all levels of business. Tourism is extremely dynamic. Therefore, to sustain, it needs to follow the modern trends of conducting business. We will present the motives of the movement of tourism today, in the age of the Internet. We will also identify the factors which exert influence on the improvement of the offer. Additionally, we will highlight those factors that impact the significance of tourism in the life of a modern man. This significance differs from the concept of tourism in the last century.

Key Words: *modern tourism, tourism market, information systems, tourism industry, Internet*

JEL classification: *F01, F6, Z3*

¹ Nebojša Pavlović, PhD, Associate Professor, Faculty of Hotel Management and Tourism in Vrnjačka Banja – University of Kragujevac, Vojvodanska 5A, 36210 Vrnjačka Banja, (+381 36) 515 00 21, e-mail: racapn@gmail.com

² Nataša Simić PhD, Associate Professor, Faculty of Economics and Finance, "University Union- Nikola Tesla" 11000 Beograd, Cara Dusana 62-64, (+381 64) 167 82 86, e-mail: nsimic68@gmail.com

Introduction

Tourism in modern society is taking on a new international character. This is because of a vast number of favorable circumstances – political, economic, demographic, social, and technological (Milićević, 2016). Current conditions, which primarily have to do with developed information systems, have led to significant changes in tourism form, and in the way, it operates (Stojanović, 2014). A tourist is not merely a person who is a part of an elite. In fact, tourism as an industry is taking a primary role in that traveling is a necessary part of modern life. Contemporary living conditions are causing a person to be under constant stress. Thus, the fact is that tourism is one of the best ways in which one can distance oneself from everyday life and recover one's health (Vasović, 2009). Lately, you can hear that a company is paying for vacation as a part of its employee benefits. In essence, it wants to improve the business efficiency and increase the motivation of its employees even though they are entitled to their holiday. Today, tourism has become integrated into every part of society. And it is also the main reason for the economic development of a country (Jovanović, 2016).

The reason for the change in the form and the way tourism operates is technological development, including the creation of the Internet. Today, no one can offer any service without using information systems (primarily the Internet) because they are a prerequisite for any operation in tourism. In modern conditions, the development of tourism is moving towards the online booking system. According to Stojanović (2014), this system has facilitated the business activity between receptive and outbound fields. In this way, the updated online systems decrease the possibility of making a mistake (p. 738).

This approach towards tourist offer has a number of advantages. They are available to every person at any moment simply through the use of new technology. The Internet helps us obtain information about our ideal destinations easily. In addition, it aids us in becoming knowledgeable about every tourist attraction. Also, a person can share thoughts with other people who had already visited some destinations and they can learn a lot from each other. This communication is occurring on the Internet forums. Those are special online websites on which you can exchange experiences about different topics, including separate destinations. This availability of information about tourism is possible because of technological achievements. They make it easier for the future tourists to

research, and for the host to find their clients quickly and easily (Pavlović & Celic, 2018).

Apart from the mentioned positive circumstances of the modern way of conducting business in tourism, there are negative ones as well. This paper will also deal with them and with the trends in tourism that are susceptible to change. They also impose challenges to tourism that it needs to respond to constructively and appropriately.

Trends in tourism today

In order to properly understand how tourism is developing today, we have to get acquainted with the trends which are ongoing now. People who work in tourism know very well how important it is to learn about them. And they also are aware that it is significant to evaluate future trends so that they could be one step ahead of everyone else and respond to any demand in tourism (Jovanović, 2016).

Figure 1: *Selective Forms of Tourism*



Source: Rabatic, B. (2012). *Selective Forms of Tourism*, The College of Tourism

Some of the main trends in tourism refer to international tourist traffic. Another trend is linked to the geographic distribution of tourists at a tourist destination. Also, demographic trends are paramount, but the development of information systems exerts the biggest influence on

supply and demand in tourism in modern society. Some of the main trends in tourism are connected with the international tourist traffic, then with the geographic distribution of tourists at a tourist destination. Also, demographic trends are paramount, but the development of information systems exerts the biggest influence on supply and demand in tourism in modern society. For every outbound and inbound country, it is important to analyze trends of movement of supply and demand on their relevant markets, and on the opponent's market. (Čavlek, 2011, p. 66). The changes in tourism happen every day, but the trends in tourism development are possible to identify only after a significant amount of time has passed.

However, if you take a closer look into the whole situation, you could say that the main trend has to do with the increase in tourism supply. This trend is closely connected with the trend of the rise in demand. According to some research which was conducted globally (UNWTO: Tourism Highlights, Edition 2009), the growth rate is expanding each year. But this depends on the political situation in a particular country. As per these data, one could say that Europe has an advantage when compared to other continents. Specifically, it has the largest rate of international traffic in tourism. The reason for this lies in its stability – economic, sociological, and political (Simić, 2014).

This trend has existed since 1990. On the other hand, we do notice a trend of an expansion of the number of tourist in countries like China, Turkey, Russia, and Malaysia today. These are the modern tourist destinations which are becoming a threat to the existing ones.

As the world went through the global economic crisis so has tourism become more global. For this reason, the business environment in which it developed became more insecure. Because of this, it is crucial that trends in tourism are moving in toward a positive direction. Regardless of the crises that are happening in tourism daily (e.g. oil crisis, terrorism, earthquakes, conflicts in the Middle East, and political turmoil), it still endures. Two of its main characteristics are its speedy recovery and the strengthening of its supply. After major setbacks, it's becoming resistant.

When we say that tourism faces a crisis during one period, we mean to indicate that unexpected events happen then. They can impact the trust of tourists in a particular destination, i.e. in a place in which they want to be in a specific time. That event can hinder a normal way of doing business

(Unković & Sekulović, 2010). Today's conditions usually impose the need to be prepared for an unexpected event and to produce a response that requires, solidarity, flexibility, and expertise (Milićević, 2016, p.54). The extent to which a destination will be attractive and popular depends on the way in which a tourist is showing interest in it. Also, it depends on the level of risk a tourist can endure. If risk, security, and uncertainty are high in some destination, then it's not popular among tourists (Gondlez Hmero & Pratt, 1998).

Society and technology are developing fast. For this reason, you should not worry that tourism trends might have a negative direction. You should worry that the growth rate of tourist traffic might increase and shift the attention towards countries which were not a part of a tourist offer.

When speaking about trends in these contemporary conditions, it's vital to mention the fact that the population of elderly people is growing and that fewer children are being born. This changes the profile of a tourist. These types of tourists opt for distant destinations and they stay there longer. Or they visit multiple destinations in one go. The lifestyle is another important trend in tourism today. With the change of the lifestyle, a person lives so that they could see more things on the Earth. A modern person is prone to adventures and wants to indulge in hedonism in every way.

While the living standard is increasing so is the need for quality of services offered by a destination. In tourism, a competitive spirit is visible in every aspect, including accommodations and attractions, food and hedonism (Cvijanović et al., 2017).

For an offer to be attractive and remain up-to-date, its whole concept needs to be visible on the Internet. And it has to be available online to anyone who wants to see it.

Therefore, everything we talked about perceives the same thing – and that is that tourism trends have become global and changeable. Because of this, those who offer services are faced with new challenges daily. For this reason, tourists are becoming more demanding and have bigger expectations. In order for modern tourism to keep up with the times, it needs to adjust to the needs and demands of the market and tourists (Jovanović, 2016).

Key factors for tourism development

The fast growth of tourist activities shows that tourism is the most important economic and social phenomena (Milićević, 2016, p.52). Tourism has become the way of life in today's society and the most important phenomenon of the modern movement of people. When we talked about the tourism trends in the previous section, we said that they provide a direction towards which tourism is going and we also mentioned some key factors. Among these are information and communications technology.

Technology is the lead initiator of any business in modern tourism. Those who offer services are globally operating a business, which means that they need to keep up with the trends and adjust to them accordingly. Also, today, people strive to decrease the cost of international travel. This means that some destinations become available to many tourists. Currently, some new destinations are being developed and the demand in tourism is increasing globally (Cooper et al., 2005, p.746).

The considerable changes in the development of tourism occur as a consequence of the influence of many factors that lead to mass tourism. The development of information systems was and still is a key factor for the development of modern tourism. (Tideswell & Faulkner, 2002, p. 128).

New technology has enabled and created an up to a minute and dynamic approach to the offers in tourism. The world and society are competing in global technology. Today, technology creates a product that is available everywhere. The usage of this new information technology is extremely accessible which creates a world without any barriers (Vukonić, 2006, p. 36). Computer and global distribution systems have made it possible for tourist offers to be advertised in agencies that have access to booking systems. These are the means used by agencies to promote their services and attractions. In this way, through electronic booking, they can offer and sell an arrangement immediately. These systems are used today and are crucial in air traffic and tourism (Vasović, 2009, p.3).

Currently, tourism has gained an advantage over other industries. This is of great importance in modern times (Križanić, 2017).

Among the key drivers for the development of modern tourism are the intense social and economic processes that are happening on the global market (Pavlovic, 2017). The example for this is globalization that hasn't developed by accident – it is a result of the interactive development of nature and people (Vuković, 2000).

During the rise of the scientific and technological revolution, there are radical changes visible in the way one works and in their attitude towards their job, nature, and life in general. People alter their interpersonal relations. Because of the decrease in the cost of production, it would be logical that welfare is improving in the world and society. Also, people should have more free time. However, the opposite is happening – the technological revolution has brought about stress and turmoil and lack of free time. Professor Dragičević, A. connects all the social changes and emphasizes that they depend on the technological revolution. He stresses in one of his papers: "The present can be understood only by those who realize that the new world is not connected with the past. The period of alienated work where people are focused on their performance so that they could satisfy their needs is dying out (1990, p. 28)."

In this society, people are paying closer attention only to their needs. However, they worried about their economic situation in the past. On the other hand, today people are liberated from worrying about it. Because of the aforementioned reasons, it is a must to employ professionals who will flawlessly perform their duties in this industry. By doing this, you can see a positive side to tourism – the employment of the local population and the development of the climate and region. Tourism is a global activity in that it is an important mechanism for economic improvement both of developing and underdeveloped countries (Milošević, 2016, p. 25).

In order to explain what is important to modern tourism, we have to emphasize the interpersonal relations of tourism and life in contemporary conditions. This entails a relationship that has different forms of interaction or one that has joined the notions of traveling and everyday existence together (Čomić&Kalmić, 2006, p. 11). The key dimensions are seen through circular motion, life, and tourism. A lot of people go through a virtual trip which is a part of their everyday life. One of the key facts in tourism is that it is a way of life of a modern person and their existence. And today, everyday life includes a break between traveling. Circular motion begins and ends in the place from which a tourist has started.

The challenges of modern tourism development

There are numerous challenges when it comes to the influence on tourism development. They can be analyzed locally or globally. However, in order to completely investigate the state of tourism today and the expectations of modern tourists, we need to check how the situation was in the past. The concept of traveling hasn't changed that much – then and now tourists have the same desires. They are always keen to see or try something new. And apart from this, they plan, book, and then travel to a destination. But the activities are differently done now than a few decades ago. In the olden times, one would plan a trip in a library so that they could research various destinations whose magnificence was displayed in newspapers and guide books. And traveling was mostly reserved for well-to-do people who went on a vacation with more preparation. They also rarely went during the year.

Today all information about destinations are available in the comfort of your own home – i.e. online where you can undergo any activity in a matter of minutes. As soon as someone comes up with an idea, they will start looking on the Internet and forums where people leave their thoughts about some location and destination.

A tourist had to bring a lot of luggage, money in local currency, tickets, and a camera with a lot of film in addition to the basic documentation and a passport. Today, apart from the passport and mobile phone, people don't need to bring anything on the road. With the development of technology and communication systems, it is much easier to plan and go on a trip. So we can say that the world is big yet so small because every information and service is available all the time (Radovanović, 2012).

In today's business, the biggest success in tourism is achieved through the use of modern technology and information systems (Stojanović, 2014). This way of doing business is new, but it needs to be mentioned because it has positive consequences and effects, as well as negative ones which affect the operation of companies and exert influence on the tourists (Štetić, 2005).

Apart from scientific and technological progress, a vast number of different factors impact the growth of modern tourism. These include the development of transport systems, culture and the increase in living standard. If a region wants to improve its tourism, then it needs to satisfy

the majority of the mentioned things. A modern tourist is relatively young, earns their wage, is independent, adventures while on a vacation, and a workaholic at home. They like to party, are obsessed with an adrenaline rush, and enjoy luxury. These trends have created a need for the change of desires and preferences of today's tourists and tourist offerings (Stojanović, 2014).

Tourism has radically changed the local culture and exerted influence on the change of the lifestyle. Traveling has changed everyone's perception and even impacted everyday life. And staying at home is becoming similar to being on a particular destination (Čomić&Kalmić, 2006, p.11).

The characteristics of modern tourism

In order for a destination to become popular, it needs to have some potential which is visible through a relationship between supply and demand. Some destinations are popular only during summer, like sea resorts, whereas mountains are popular during the winter because people want to ski and enjoy winter wonderland. A spa is a place which you can visit all year long depending on what a destination has to offer and on the need for a tourist.

Coastal tourism is one of the most significant and widespread types in the world today. Apart from this, ski resorts are also popular. People visit them because they get a chance to revel in a winter wonderland and try skiing. In the last few years, this type of tourism has also expanded. People visit a mountain for recreation with their families at least once a year. So a modern person does not only go swimming but also skiing. Not only does a person visit these places during the year but also they go to several places across the globe. Besides these two types, there are new, specific forms of tourism. Among these are tours given by some agencies and traveling by bus or airplane. In the first case, tours include visiting several destinations in a couple of days. However, there are other types of travel as well. Today, the most frequent ones are traveling by car with your family or partner or going away for a weekend to a spa or resort because of hedonism (Cohen & Bodeker, 2008). In these centers, you have everything that makes for an enjoyable weekend, including amazing accommodation, kitchen and various meals. Also, you have a variety of drinks on the menu. And, they offer massages and relaxation treatments. A modern person is under a lot of stress – they work all week and want to spend the weekend peacefully.

Modern tourism has brought about trips which are initiated by special kinds of interests – those which have aroused to some attractions and activities (Unković, 2009). Unlike traditional types of tourism, which include spending the day on the sun and near the sea, these types have been gaining in popularity. Rural tourism attracts many people because they get to enjoy a rural environment, food, nature, and greenery (Pavlovic, 2016). Also, it includes visits to an art or sport events, as well as a short break during the weekend and holidays. Taking trips because of one's health is also very popular – ecotourism, hunting, cycling, wine tourism. These are short trips that include traveling for business, educational tourism, and the one based on natural resources, clean air, healthy drinking water and organic food. These types have expanded in the last decade (Petrović, 2006). Bearing in mind the responsibility of a modern person, they don't have enough time to devote to trips and they have to choose shorter ones. They go on a trip several times a year (Jovičić, 2008). Most often than not theme journeys are used for health and enjoyment. This type is a common occurrence. Every resource becomes a subject of interest and a reason why people travel. A modern person replaces mass tourism with specific themes that are becoming a feature of modern tourism (Smith, 2007).

A modern tourist can change their plans every hour and not affect the supply and demand. This is another characteristic of tourism – its ability to adjust and be completely immersed into something. In this way, tourism takes care of even a minute detail in order to survive on the market (Stanković et al., 2012). In fact, modern tourism is developing with each diverse offer it provides. These offers depend on the characteristics of each region provide (Jovanović, 2015, p.2).

The features of modern tourism are changing because of the lifestyle and work. Today, a concept of vacation and tourism are different than from what they were a few decades ago because this industry is willing to alter. Now everyone strives to satisfy a tourist by creating various offers, products, and providing different services. Some have figured out that they have a lot to gain if they create new products and services. In this way they improve and make room for the new tourism products and bring about new types in this industry (Rabotić, 2012).

Modern tourists have a desire to travel in order to get to know a local culture of some region, their way of life and meals. They are not motivated to be obedient tourists and are aware of how important culture,

having fun, and eating area. So, the characteristic of modern tourism is that it aims to satisfy the needs and desires of tourists and be flexible (Popesku, 2006). A modern tourist needs more than one attraction to make up their minds about where to vacation. Namely, their goal is to fulfill their wishes and this creates specific habits during traveling (Douglas et al., 2001).

Tourism: the theory of modern existence

By traveling everyone can broaden their horizons because they are becoming close to a distant destination and are away from home. These are the key features of postmodern tourism that differentiate it from a mass one. Postmodern lifestyle has created changes in the society that have caused human life to alter and be unlike the one in the earlier periods. Today you can often hear that life is but another form of travel. Therefore, we can say that tourism is a minor trip that is a part of a major one – life. Unlike the olden days and the period when life was based on traditional existence where stability, duration, repetition, and predictability were important, this period of postmodern existence is aimed toward the opposite – hedonism, unpredictability, instability, inconsistency, and the adventure of the body. Some academics define this as the end of tourism as, according to them, cultures and traditions are becoming one. Thus, there are no differences. They think that culture and destination will homogenize. Tourism cannot be explained and shown through life. But life is defined by tourism. So tourism today is perceived as a form of philosophy of life and theories of modern human existence.

Nonetheless, we can say that the most important weapon for achieving success in tourism is satisfying a tourist in every way. Some authors, like Živković and Ilić (2008), say that the future of destinations depends on what they have achieved through their services. At the same time, they believe that it is important to take into consideration any expectations that are based on previous experiences, social influences, and information available through advertisements. Other authors state that tourist satisfaction is the most important thing because it brings numerous advantages and can serve as a means of creating and maintaining their loyalty so that a destination can compete against others. However, if a product and services do not meet the requirements, tourists remain dissatisfied.

In order to satisfy tourists and visitors, you should analyze and contemplate how to improve your business and then introduce those guidelines as the model you should follow. Those destinations that research the satisfaction of their guests should define all parts which exist between that satisfaction and their goals (Kostić, 2010).

Today, it is normal to investigate the experience and satisfaction someone has with a service on some destination. The task of a marketing manager in tourism is to find the most usable model which will improve the satisfaction of tourists and influence them to remain loyal to a particular destination. All mentioned principles have to be based on sustainable development. This means that you should take into consideration how many tourists you will have so that you could know how much to invest in the infrastructure and improve every service offered in your destination (Peršić, 2005). In order to secure sustainable development and bring about better tourism, it is necessary to modernize the management so that they could be ready to take on all challenges imposed by modern tourism market.

Conclusion

To conclude, we can say that the notion of modern tourism is present in society. Unlike former tourism, this contemporary one differs in many factors and has gone through significant changes both in quality and quantity. It has adjusted to a modern person and their lifestyle and work. A consumer or tourist is at the center of attention and every offer is altered according to them. A modern tourist is a demanding consumer of services. Because of the developed technology, a tourist is extremely informed about a region and they do not see it as a place where they will vacation, but as a place that will provide valuable lessons. By changing the demand and supply, new selective types of tourism have been created. These types take on a mass form and it is necessary to devote a lot of your attention to them while you are creating your offer.

The development of modern tourism is caused because of the improvements in technology. Information systems are improved and anyone can find information about some location at any given time. Other things, for instance online booking, have made it possible to book a place in a matter of minutes. The use of the Internet in tourism has made the traditional way of business easier. In such developed unique information system, the small and medium-sized enterprises are connecting and, in

this way, they remain on the market and compete on it (Stanković, 2008). Through the use of the Internet, the cost of marketing has decreased and communication has been made easier. And the Internet has made room for tourism to thrive. Some promotions can be easily upgraded. In fact, there are those which feature some multimedia content which can attract the attention of every tourist who is the best promoters of a destination. For this reason, everyone is careful about how they promote their content on the marker, i.e. on the Internet.

Lately, the exotic tours have become popular. These are some far away destinations that have very specific offers. People seek exhibitionism and adventurism, but also other things. The aim of every offer is to respond to the interest and satisfy the need of every tourist (Inskeep, 1994).

References

1. Čavlek, N. (2011). *Turizam – ekonomske osnove i organizacijski sustav*, Školska knjiga, Zagreb.
2. Čomić, Đ., Kalmić, L. (2006). Turizam – metafora savremene egzistencije. *Turizam*, No. 10,11-13.
3. Cohen, M., Bodeker, G. (2008). *Understanding the Global Spa Industry: Spa management*, Butterworth - Heinemann, Elsevier.
4. Cooper, C., Fletcher, J., Gilbert, D., Fyall, A., Wanhill, S. (2005). *Tourism-Principles and Practicem*, Prentice Hall.
5. Cvijanović, D., Simić, N., Vukotić, S. (2017). Food with Serbian Origin which Meets Health Safety standards: Placement on the International Market, *3rd International Symposium for Agriculture and Food – ISAF 2017*, 18-20 October, Ohrid, Macedonia.
6. Douglas, N., Douglas, N., Derrett, R. (2001). *Special Interest Tourism:Context and Cases*, Brisbane: John Wiley & Sons Australia.
7. Dragičević, A. (1989). *Suton socijalizma-Kraj masovnog društva*, August Cesarec, Zagreb

8. Gondlez-Hmero, A., Pratt, C. (1998). Communication Marketing Crisis in Tourism: strategies in the United States and Spain, *Public Relationed Review*, Vol. 24, No. 1, 83-97.
9. Inskip, E. (1994). *National and Regional Tourism Planning: Methodologies and case Studies*, WTO, Madrid.
10. Jovanović, M. (2016). *Trendovi u evropskom turizmu*. Sveučilište Jurja Dobrile u Puli, Fakultet ekonomije i turizma "Dr. Mijo Mirković", Pula.
11. Jovanović, V. (2015). *Tematski turizam*, Univerzitet Singidunim, Beograd.
12. Jovičić, D. (2008). *Uvod u turizmologiju i turističku geografiju*, Ton plus, Beograd.
13. Kostić, E. (2010). Merenje zadovoljstva korisnika usluge na primeru Delta DMD-a. *Quarterly Marketing Journal – Marketing*, Vol. 41, No. 4, 268–276.
14. Križanić, D. (2017). *Izazovi razvoja suvremenog turizma u Hrvatskoj*. Sveučilište Jurja Dobrile u Puli, Fakultet ekonomije i turizma "Dr. Mijo Mirković", Pula.
15. Milićević, S., Ervaćanin, V. (2016). Uticaj kriza na razvoj turizma u svetu, *Turističko poslovanje*, No. 18, 51-63.
16. Milošević, S. (2016). *Uticaj socio-ekonomskih elemenata na vrednovanje turizma kao faktora meke moći*, Doktorska disertacija, Univerzitet Edukons, Fakultet poslovne ekonomije, Sremska Kamenica.
17. Pavlović, N. (2016). Entrepreneurial idea as a chance for rural tourism development, *International Scientific Conference "Tourism in function of development of the Republic of Serbia-Spa Tourism in Serbia and Experiences of Other Countries"*, Faculty of Hotel and Tourism management in Vrnjaska Banja, Vrnjačka Banja, Thematic Proceedings 1, 552-568.
18. Pavlović, N. (2017). The impact of globalization on trends in tourism, *Thematic Proceedings, Tourism in function of development of te Republic*

of Serbia, International Scientific Conference, Faculty of Hotel and Tourism in Vrnjaska Banja, 556-573.

19. Pavlović, N., Celic I. (2018). Components of smart tourism, *Thematic Proceedings, Tourism in function of development of the Republic of Serbia, International Scientific Conference, Faculty of Hotel and Tourism in Vrnjaska Banja, 556-573.*

20. Peršić, M. (2005). *Stanje, konkurentnost i mogućnosti unapređenja turističke ponude Baške i Kvarnera*, Cerović, Z., In: Turizam Baške – gospodarska orijentacija i sudbina, Fakultet za turistički i hotelski menadžment Opatija i Turistička zajednica Baške, 23-44.

21. Petrović, J. (2006). Uticaj globalizacije na promene u turizmu. *Ekonomске teme*, Vol. 3, 109-118.

22. Popesku, J. (2006). *Menadžment turističke destinacije*, Univerzitet Singidunum, Beograd.

23. Rabotić, B. (2012). *Selektivni oblici turizma*. Visoka turistička škola strukovnih studija, Beograd.

24. Radovanović, D. (2012). *Globalizacija, svetska globalna kriza i globalni turizam*, Međunarodni naučni skup-Meditranski dani, Turizam: izazovi i mogućnosti, Tematski zbornik radova, Ekonomski institut Beograd.

25. Simić, N., Živojinović S. (2014). Prospects of Serbian economy in the context of European integration, Proceedings: The 6th Scientific International Conference *Economy and Politics*, Belgrade, June 2014, organizers Higher Educational Institution for applied studies of Entrepreneurship, Institut za političke studije, Institut za ekonomiku poljoprivrede, BLC College Banja Luka, ISBN 978-86-86-707-60-4, COBISS.SR-ID 207731468.

26. Smith, M. (2007). *Health and Wellness Tourism*, Elsevier, UK.

27. Stanković, Lj., Đukić, S., Popović, A. (2012). Istraživanja motiva i stavova potrošača o turističkim destinacijama. *Marketing*, Vol. 43, No. 2, 104-113.

28. Stanković, S (2008). *Turistička geografija*, Zavod za udžbenike i nastavna sredstva, Beograd.
29. Štetić, S. (2005). Sigurnost boravka-osnova razvoja turističke destinacije, *Turizam*, No. 9.
30. Stojanović, J. (2014). *Savremene tendencije u turizmu*. E-Business in tourism and hospitality industry, Geografski fakultet, Beograd, 738-742
31. Tideswell, C., Faulkner, B. (2002). Multidestinacijska turistička putovanja: Preliminarni nalazi o ponašanju međunarodnih posjetitelja u Australiji. *Turizam*, No. 2, 127-142
32. Unković, S., Sekulović, N. (2010). Mere za ublažavanje negativnog dejstva svetske ekonomske krize na turizam, *Singidunum revija*, Vol 7, No. 2., 181-192.
33. Unković, S., Zečević, B. (2009). *Ekonomika turizma*, Ekonomski fakultet, Beograd.
34. Vasović, M. (2009). *Karakteristike razvoja turizma u Evropskoj uniji*, Univerzitet Singidunim, Beograd.
35. Vukonić, I. (2006). Suvremeni trendovi u razvoju turizma u Europskoj uniji i implikacije na Hrvatsku, *Tourism and Hospitality Management*, Vol. 12, No. 1, 35-55.
36. Vuković, I. (2000). *Međunarodna ekonomija i turizam*, Dalmatina, Zagreb.
37. Živković, R., Ilić, M. (2008). *Trijada kvalitet-satisfakcija-lojalnost u turizmu*. Asocijacija za kvalitet i standardizaciju Srbije, "35. Nacionalna konferencija o kvalitetu", Kragujevac: Festival kvaliteta.

SOCIAL AND ECONOMIC ASPECTS OF SUSTAINABLE DEVELOPMENT: THE EXAMPLE OF ACCESSIBLE TOURISM

Ivo Županović¹; Dragana Zečević²;

Abstract

The actuality of research is based on a very small attention that is paid to rights and needs of persons with disabilities. Research includes the assessment of the legislation and assessment of traffic and accommodation accessibility, as well as the accessibility of the other contents of the tourism offer. The aim of the research is to show the importance of developing accessible tourism in order to achieve sustainable tourism development. From the social aspect, it is necessary to grant the basic human right to travel. It also has a significant economic effect, given the number of people in the world who have some form of disability. According to the results of the research, accessibility and tourist offer for persons with disabilities in Montenegro are at an inadequate level, and improvement of infrastructure and adaptation of the offer would significantly contribute to strengthening the sustainability of the tourist product.

Key Words: *sustainable development, tourist product, accessibility, social and economic aspects*

JEL classification code: *Z32*

Sustainable development of a tourist destination

Term destination is often used as a synonym for a tourist place, although a tourist place cannot form a tourist offer as a tourist destination. Tourists are always looking for more so-called integral quality, standardized and varied offer, which often cannot be offered on the level of tourist place. Therefore, the destination does not have to relate only to a certain place, surrounded by borders, moreover tourist destination means a

¹ Ivo Županović, PhD, Full professor, Faculty of Business and Tourism, Budva and Faculty of Management, Herceg Novi, mail: ivozup@t-com.me

² Dragana Zečević, MSc, Faculty of Business and Tourism, Budva, mail: dragana.zecevic@fbt-budva.me

encompassed geographical entity with attractive, communicative and receptive factors, i.e. all those natural, social, anthropogenic, cultural, historical, traffic and other assumptions for accommodation, food, entertainment and recreation (Vujović et al.,2012:100).

Magas, Vodeb and Zadel define tourist product as the totality of tangible and intangible properties, including functional, social and psychological benefits and satisfaction. The product can be ideas, services, goods, or any combination of these three terms (Magas et al.,2018:33).

The most important basis for a sustainable tourist destination policy is protection, reservation, rational use of space and its improvement. Implementation of best practices for sustainable tourism development will first occur in destinations that have great support from state or territorial authorities, well-established regional and local tourism organizations, as well as local institutions and leaders. Planning and implementation of best practices of sustainability allows tourist destinations to contribute to local economic development, preservation of nature, socio-cultural environments, community well-being and extraordinary experiences of visitors (Jegdić & Marković,2011:107).

The main subjects of the tourist destination are: tourists, traffic, attractiveness of services, information about the destination. Destination life cycle goes through the stages of research, inclusion, development, consolidation and stagnation. The research phase is characterized by a small number of tourists, which attracts untouched and unpolluted nature and culture in the destination. The increased number of tourists, in the phase of inclusion, is the result of a local initiative to provide services to visitors and propaganda of the destination. At the development stage, a large number of visitors are present, the organization of tourism is changing. The growth rate of visitors drops in the consolidation phase, and the destination is entirely a part of the tourism industry. In the stagnation, destination loses its attractiveness, while the irreversible loss of guests is a feature of the declining phase (Županović, 2011:66).

The dynamic development of the tourism industry results in numerous positive and negative effects on the development of tourist destinations. Since the clean and unpolluted environment is the basis for successful tourism, tourism is more dependent on the environment than on any other activity. Tourism is also the main user of the environment because almost all activities of tourists are based on its use and thus significantly affect it.

In this respect, the relation between resource-based and activity-based sustainability can be quite conflicting. As the number of tourists increases and the destination evolves (i.e. grows) cyclically through changing modifications of destination as a product, indicating that the limits to activity-based sustainability have not yet been reached, tourism growth may overstep some of the resource-based limits to change (Županović & Kovačević, 2013:447).

The transformation of space, due to the impact of tourism, can be positive and negative. The positive effects of tourism on the territory are: restoring historically significant places and buildings, adapting old buildings for tourist purposes, creating new tourist areas, protecting the environment, defining measures for the protection of certain areas etc. The negative effects of tourism on the territory include: pollution of space, water and air, destruction of the flora and fauna, degradation of landscapes and cultural and historical monuments and more (Bošković, 2008: 123-127).

The negative impact of tourism, especially in the primary tourist area, is very large and is expressed by the destruction of primary tourist attractiveness, disturbing ecological and sociocultural balance, destruction of nature and cultural heritage and disturbing the cultural landscape (Bartoluci, 2013:184).

It can be established that the management of sustainable development presupposes the management of various interests, which are manifested in three levels (Galičić & Laškarin, 2016:198):

1. The first level of interest: make the goals and images of stakeholders closely related to the development of tourism. On the one hand, the interest of the tourist areas and their inhabitants in the preservation of one's own cultural heritage and the environment, and on the other hand, the interest of the areas from which tourists come and tourists themselves in environmental change, discovering and getting to know each other.
2. The second level consists of the aims and interests of persons, enterprises and institutions that operate in tourism, thus ensuring their own needs. These are: travel agencies, catering, trade, entertainment industry, etc.
3. The third level consists of the interests of persons and groups that happen or rarely appear in the tourist system (for example, real estate agencies).

Sustainable tourism development implies a planning process that includes different interests and relationships in one destination and requires a high local participation in the planning. When planning sustainable tourism at a destination, it is necessary to explore the offer, preferences of tourists and the views of the community towards the development of tourism. This is necessary for the definition of trends on the market, the advantages and disadvantages of the tourist offer, possible challenges, opportunities for development, etc. Sustainable tourism planning must retain local specifics in order to avoid generalization and inadequate development (Jegdić et al., 2013: 153-162).

Complex systems of relations between community members, business interests and authorities are characteristic of tourist destinations, as well as various combinations of natural, built and socio-cultural resources. Efficient and sustainable planning and management are the basis for a good development of a tourist destination. The imperative for sustainable tourism development is the cooperation between the government, business entities and stakeholders from the local community, and the constant construction of the brand and image of the destination is very important for its promotion and positioning in the tourism market. In addition, adequate attention needs to be paid to a marketing system that will integrate tourism stakeholders at national, regional and local levels to manage co-operative marketing strategies for tourist destinations. In this way, the conditions for the long-term sustainability of the destination are created (Jegdić & Marković, 2011:108).

The observed model is conceived as a carrying capacity model, which involves determining the carrying capacity of tourist resources and space. It is based on a reasonable restriction of predicted development with minimal adverse effects, and preferably creates optimal effects. (Vukonić & Keča, 2001, 108).

Several definitions of carrying capacity have been offered, depending on how and where the concept is applied. The World Tourism Organisation defines carrying capacity as "the maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic and socio-cultural environment and an unacceptable decrease in the quality of the visitors". (Kostopoulou & Kyritsis, 2006: 9)

Accessible tourism

The concept of accessibility has evolved from "eliminating barriers" in buildings, urban environments and transportation, to the principles of "Universal Design" (UD) or accessibility for all (Buj, 2010:18).

The World Health Organization (WHO) estimates that 15% of the population, or about one billion people, live with some form of disability. As the population rapidly ages, the number of those who have certain impediments will only grow. Many will develop some form of disability in a certain period, and sooner or later will have specific requirements for access to tourism infrastructure, services and products. For example, if we take Europe, the accessible tourism market is estimated at around 27% in relation to the total population and 12% in relation to the tourism market. These figures include a large proportion of older travelers, people with disabilities and families with young children. The accessible tourist market is a huge opportunity for destinations that are ready to accommodate these visitors, as they tend to travel more during the off-peak season, often in groups, more often returning to visit, and in some parts of the world spending more than average on their travels (UNWTO, 2016:4).

The World Health Organization (WHO) recognizes that disability is complex, dynamic, multidimensional and disputed. Over the years, theories have been built in relation to its meaning and the term has reached a significant evolution with a change from an individual, a medical perspective to a structural and social perspective. This is described as a transition from a "medical model" to a "social model" in which people are viewed as being disabled by society rather than by their bodies. The model of medical disability that continues to exist in many developing countries puts emphasis on rehabilitation and recovery of human functions and often has a negative connotation. Disability is viewed as a disease that causes damage or other medical condition requiring continuous medical assistance, in the form of individual treatment by professionals. With this approach, all efforts are concentrated solely and exclusively on health recovery, even at the political level where actions are focused on reforming the health care and health system (UNWTO, 2016:26).

Care tourism for individuals and groups (institutions, organisations) requires a different approach from mainstream tourism (European network for Accesible tourism, 2007:17):

- 40 % (individuals and groups) do not go on holidays because of the lack of assistance or care.
- It is important to be able to rely on a 'safe environment' (specialised care and assistance nearby)
- Individuals and groups don't expect assistance from hoteliers, but would like staff in general to be trained in how to cater for people with a disability
- People appreciate the availability of technical aids (e.g. shower wheelchair, hoists, adjustable bed,...).
- Individuals are willing to pay extra for technical aids in the hotel.

Tourism and EU National Accessibility Legislation

Evidence from the EU Agency for Fundamental Rights show that people with disabilities face discrimination and barriers in exercising their rights at the same level as others, despite the fact that in the EU people with reduced mobility have the same rights to freedom of movement, freedom of choice and non-discrimination as all citizens. (Policy Department for Structural and Cohesion Policies, 2018:17)

Table 1. *Legislative Analysis Summary EU-28 Member States*

Country	Act establishing equal rights for PwD on national level
International	UN Convention on the Rights of People with Disabilities, 2007
Austria	Federal Disability Equality Act, 2006.
Belgium: Flemish Region	Decree of 10 July 2008 (a framework for the Flemish policy on equal opportunities and equal treatment)
Brussels Metropolitan Region	Article 8 of the Decree of 06 April 1995 (the integration of people with disabilities)
Walloon Region	Decree of 6 November, 2008 against certain forms of discrimination as amended by the Decree of 19 March, 2009
Bulgaria	Anti-discrimination Act passed in 2003 transposing the EU Equality Directives

Croatia	The Law on Croatian Citizenship (1991) Declaration on the Rights of Disabled Persons in 2005
Cyprus	Persons with Disabilities Laws 2000 – 2007
Czech Republic	Act No. 198/2009 Coll., on Equal Treatment and on Legal Means of Protection against Discrimination
Denmark	Motion B 43 on equal treatment and equality between person with disabilities and persons without disabilities (1993)
Estonia	Social Welfare Act (1995) Equal Treatment Act of 23 December 2008
Finland	Non-Discrimination Act (21/2004) (does not include requirement for accessibility to the built environment)
France	Law of 11 February 2005 for equal rights and opportunities, participation and citizenship of disabled persons
Germany	Disability Equality Act at the national level that public buildings have to be accessible Federal Equal Opportunities Act, (2002)
Greece	Greek Constitution establishes the principle of equality among all Greek citizens (article 4). Article 21 (fundamental rights of disabled people)
Hungary	Act XXVI of 1998 on the rights and equal opportunities of persons with disabilities Act CXXV of 2003 on equal treatment and on the promotion of equal opportunities
Ireland	Equal Status Acts (ESA) 2000 to 2012 are the principal pieces of anti-discrimination law in Ireland
Italy	law 104/92 ("Framework Law for assistance, social integration and rights of the handicapped")
Latvia	Article 91 of the Constitution Concept 'Equal Opportunities for All' (1998) was intended to create equal opportunities for people with disabilities etc
Lithuania	Law of Equal Treatment (IX-1826 of 18 November 2003) (not requiring accessibility of the buildings)

	Law on Social Integration of the Disabled (1991) – requires access to built environment
Luxembourg	Action Plan in favour of Persons with Disabilities
Malta	Equal Opportunities (Persons with Disability) Act
Netherlands	General Act on Equal Treatment based in the Constituion
Poland	Charter of Rights for Persons with Disabilities (1997) Act on Equal Treatment (2010)
Portugal	Constitution of the Portuguese Republic (Article 71 affirms the equal rights of persons with disabilities) Law 38/2004, of 18 August –Legal System for Prevention, Habilitation, Rehabilitation and Participation of the Disabled Person

Source: *Policy Department for Structural and Cohesion Policies (2018), Research for TRAN Committee - Transport and tourism for persons with disabilities and persons with reduced mobility, European Parliament, Brussels.16-24*

A more detailed description of the legislation of some countries: (Policy Department for Structural and Cohesion Policies, 2018: 25-29).

1. Austria - According to the alternative report on the implementation of the UN Convention on the Rights of Persons with Disabilities in Austria, published by the Austrian National Council of Persons with Disabilities (OEAR), Austria has no regional development regulations concerning housing or land planning. The OEAR also considers that regulations relating to structural accessibility in construction laws are not organized in a standardized form or considered sufficient. The Austrian B1600ff standard regulates accessibility standards, but they are not taken into consideration in existing construction laws and are not binding. Nine existing provinces in Austria have nine different laws dealing with accessibility issues in several ways in relation to standard and quality. Austrian Institute for Structural Engineering (OIB) has developed the Standard Guidelines on accessibility for planning and building in 2007. Although all the provinces agreed on OIB guidelines, only five provinces adopted it by 2012.

2. Belgium - Belgium is geographically divided into three regions: Flanders, Brussels and Wallonia. There is a small number of national laws dealing with construction, because the subject matter is regulated at the regional level. Accessibility in relation to public buildings is regulated by the Decree of June 5, 2009 in the Flemish region and by Decree of May 28, 2009 in Brussels, where the Regionally Urban Development Regulation sets rules regarding adaptation of public areas. Access to all buildings for PwD was provided in 1995 by the Walloon Code of Land Management, Urban Planning, Heritage and Energy in Walloon region. All three regions are involved in several initiatives and projects aimed at making cities more accessible. Decree of July 9, 2010 establishes the appropriate notion for accommodation.

3. Croatia - The Law on Physical Planning and Construction provides the basis for the Rulebook on ensuring accessibility of building to persons with disabilities and reduced mobility. The requirements in the Rulebook are applicable to public, as well as to residential buildings. Building control has been provided from building design to construction and maintenance, and sanctions for disrespect for all parties involved in construction that are somehow involved in violation of conditions are envisaged. In 2004 "Project for solving facility accessibility for persons with disabilities" was co-financed by the government. Funds were allocated to local self-administration units and units of regional self-administration. The state has the obligation to provide funds for removal of construction and other barriers under the National Strategy for Equalization of Opportunities for Persons with Disabilities 2007-2015.

4. Cyprus - In the first report of Cyprus for the implementation of the UN Convention on the Rights of Persons with Disabilities, the Department for the Social Inclusion of Persons with Disabilities states that significant barriers remain in accessibility of built environment for people with disabilities, mainly due to the inadequate enforcement of legislation on accessibility by relevant local authorities. Legislation that guarantees the accessibility to PwD to the built environment is Streets and Buildings Law, which is currently under revision, in order to set higher standards for requirements in the design of roads and buildings. In the process of issuing the building permit, the documents relating to the building certificate must comply with the requirements of Regulation 61 H. Architectural plans of hotels providing infrastructure for persons with disabilities in the context of the Hotels and Tourist Accommodation Regulations - Facilities for persons with disabilities is approved by the

Cyprus Tourism Organization (CTO). For premises that want to improve or expand their infrastructure, the CTO has made a Technical Guide that contains technical specifications, criteria and best practices and also maintains a list of hotels offering accommodation and additional services for PwD.

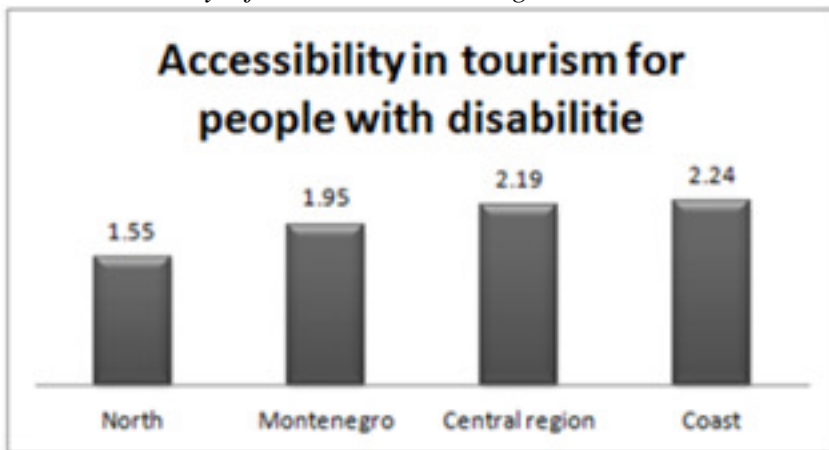
5. Germany - Germany is composed of 16 states, all of which have their own Act on Equal Opportunities and building regulations for private and public buildings, as well as local authorities buildings, which are similar in all 16 countries. At the national level, Disability Equality Act requires that new public facilities be accessible. The obligation of existing buildings is that they must comply with accessibility requirements when renovating. In all construction projects, regulations relating to the construction without barriers must be taken into account, which can fully or only partially prescribe conformity with technical regulations, depending on the laws of the federal state. In 2010, the Building and Civil Engineering Standards Committee developed a standard "Construction of accessible buildings" that defines the technical requirements for accessible building and refers to the planning, execution and equipment of publicly accessible buildings.

Analysis of access and quality of services for persons with disabilities in tourism of Montenegro

According to the respondents, tourism in Montenegro is not sufficiently accessible for persons with disabilities. The situation is the worst in the northern part of Montenegro, while central part and the coast are in a little better situation. At the level of whole Montenegro, accessibility in tourism for people with disabilities was rated by an average grade of 1.95, as shown in figure 1.

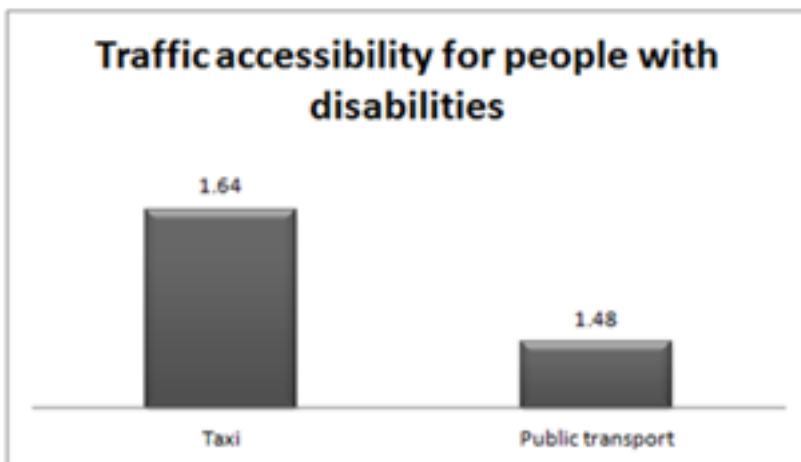
Traffic accessibility for people with disabilities also receives a low grade, which can be seen from the figure 2. Accessibility for people with disabilities when it comes to public transport is rated by an average grade of 1.48, while taxi services are rated by an average grade of 1.64.

Figure 1: *Accessibility of tourism in Montenegro*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Figure 2: *Traffic accessibility*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Figure 3. shows average grade for the accessibility of parking spaces for people with disabilities. Hotels have the best accessibility of the parking space (2.9), followed by open spaces (2.62) and restaurants (2.29).

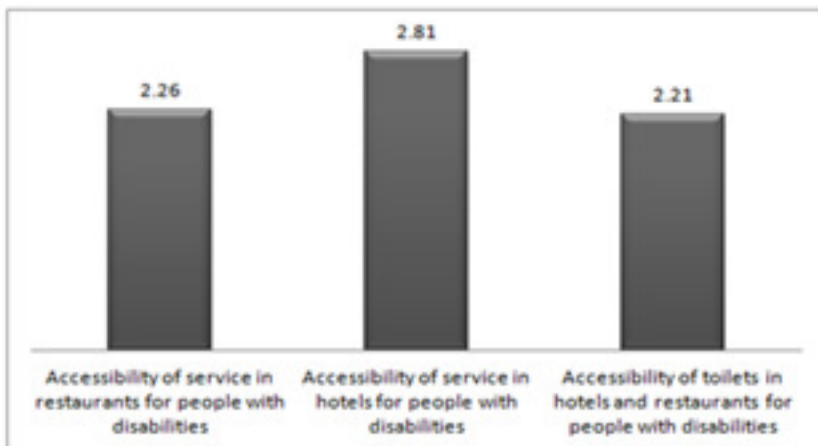
Figure 3: *Accessibility of parking spaces*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Figure 4. shows the average grades for accessibility of hotels and restaurants. Hotel service accessibility is rated slightly better than restaurant services.

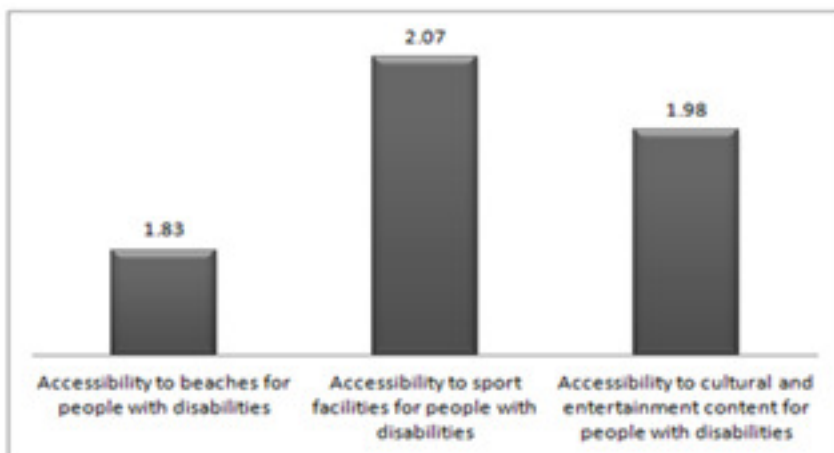
Figure 4: *Accessibility of hotels and restaurants*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

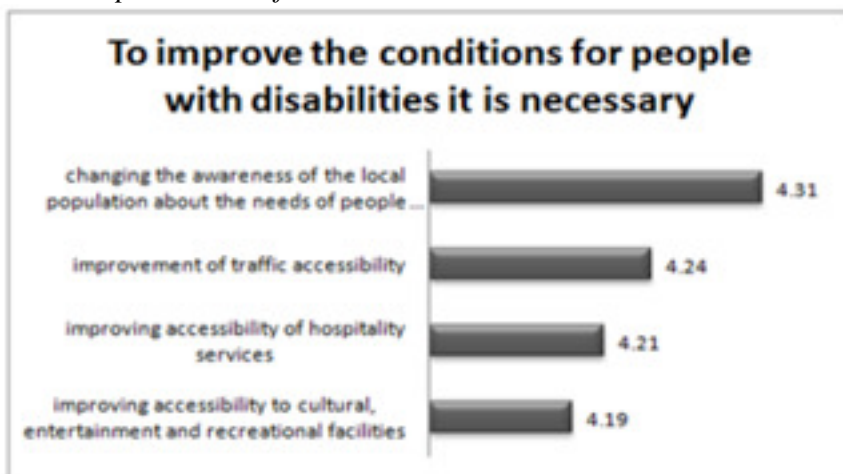
Accessibility to sports, cultural and other tourism content is shown in figure 5. This content is rated with average grade of 2.07 or less.

Figure 5: *Accessibility of beaches, sport facilities, cultural and entertainment content*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Figure 6: *Improvement of the current situation*

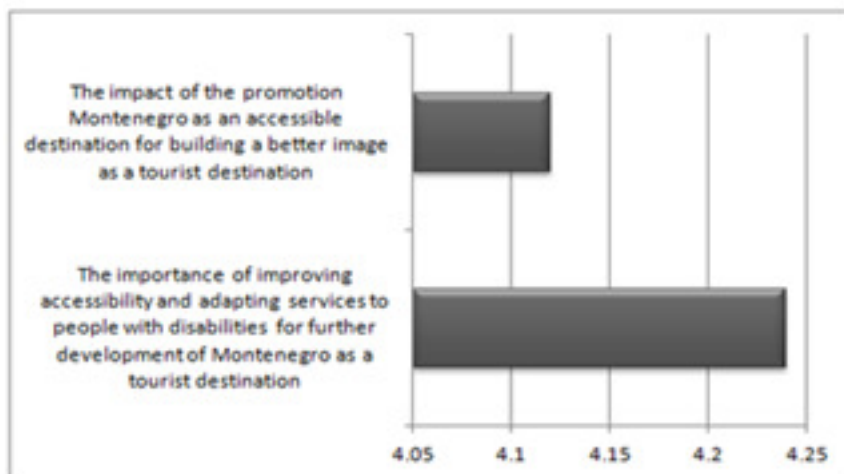


Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

In order to improve the conditions for people with disabilities in Montenegro, first of all it is necessary to change the awareness of the local population about the needs of persons with disabilities. In addition, as demonstrated in figure 6., it is important to improve traffic accessibility, accessibility of hospitalirty services, and cultural, entertainment and recreational facilities.

Research shows that for further development of Montenegro as a tourist destination it is very important to work on improving accessibility and adapting services for people with disabilities (average grade 4.24). As shown in figure 7., respondents believe that the promotion of Montenegro as an accessible destination would significantly influence on creating better image as a tourist destination (average grade 4.12).

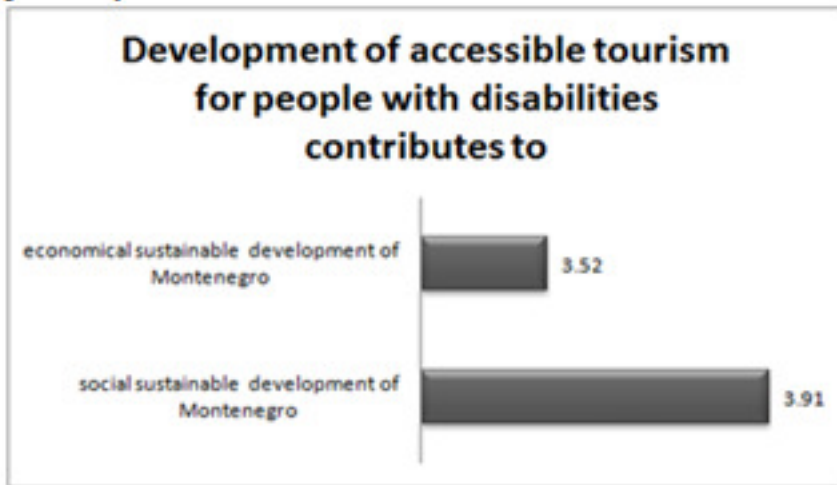
Figure 7: *The importance of improving accessibility*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Respondents believe that the development of accessible tourism for people with disabilities would significantly influence the social aspect of sustainable development, as well as on the economic component of sustainable development, as shown in figure 8.

Figure 8: *The impact of accessible tourism on the economic and social component of sustainable tourism*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Figure 9: *Legislation, understading of needs, impact on developing sustainable community*



Source: Zečević, D. (2018). *Social and economic aspect of sustainable development: the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.

Legislation related to the rights of persons with disabilities is assessed with an average grade 3. The importance of developing accessible tourism for people with disabilities to develop sustainable community is rated with an average grade 3.62. Knowledge of different needs of people with disabilities is assessed with an average rate 3.57, as shown on figure 9.

Conclusion

Taking into account the problem of accessibility of people with disabilities in the tourism industry and especially in the hotel segment in the context of socio-economic parameters of sustainable development, we can conclude that important improvements are needed. We believe that this will contribute not only to the improvement of the conditions of people with disabilities, which is a priority, but also to the significant improvement of the image of Montenegro as a tourist destination, as well as to the increase of trust in it.

References

1. Bartoluci, M. (2013). *Upravljanje razvojem turizma i preduzetništva*, Školska knjiga, Zagreb.
2. Bošković, T. (2008). Održivi turizam kao savremeni koncept razvoja turizma. *Naučno stručni časopis, Škola biznisa*, Novi Sad, Br.4, 123. - 127.
3. Buj C.(2010). *Paving a way for Accessible tourism*, Leeds Metropolitan University.
4. European network for Accessible tourism, (2007). Services and Facilities for Accessible Tourism in Europe, Athens.
5. Galičić V., Laškarin, (2016). *Principi i praksa turizma i hotelijerstva*, Fakultet za menadžment u turizmu i ugostiteljstvu, Opatija.
6. Jegdić, V., Marković, M. (2011). *Menadžment turističke destinacije*, Fakultet za sport i turizam, Novi Sad.
7. Jegdić, V., Škrbić, I., Milošević, S. (2013). Specifičnosti planiranja održivog turizma. *TIMS. Acta*, 7(2), 153-162.

8. Kostopoulou S., Kyritsis I. (2006). A tourism carrying capacity indicator for protected areas, *Anatolia: An International Journal of Tourism and Hospitality Research*, 17:1, 5-24.
9. Magas, Lj., Vodeb, K., Zadel, Z. (2018). *Menadžment turističke organizacije i destinacije*, Fakultet za menadžment u turizmu i ugostiteljstvu, Opatija.
10. Policy Department for Structural and Cohesion Policies (2018). *Research for TRAN Committee - Transport and tourism for persons with disabilities and persons with reduced mobility*, European Parliament, Brussels.
11. UNWTO (2016). *Manual on Accessible Tourism for All: Principles, Tools and Best Practices*, Spain.
12. UNWTO (2016). *Tourism for All-promoting universal accessibility*, Spain.
13. Vujović, S., Cvijanović, D., Štetić, S. (2012). *Destinacijski koncept razvoja turizma*, Institut za ekonomiku poljoprivrede, Beograd.
14. Vukonić B., Keča K. (2001). *Turizam i razvoj: pojam, načela, postupci*, Mikrorad, Zagreb.
15. Zečević, D. (2018). *Social and economic aspect of sustainable development on the example of improving infrastructure for persons with disabilities in Montenegro tourism*, Desk research, Faculty of Business and Tourism, Budva.
16. Županović I., Kovačević J. (2013). Sustainable tourism development in Montenegro-actual situation and perspective, *In: Conference Proceedings, 2nd International Scientific Conference Tourism in Southern and Eastern Europe 2013*, Volume 2. University of Rijeka, Faculty of Tourism and Hospitality Management, Opatija, Croatia ISSN 1848-4050, pp.447-463.
17. Županović, I. (2011). *Strateški menadžment turističke destinacije*, Autor i IVPE, Kotor.

STAKEHOLDERS IN SUSTAINABLE TOURISM DEVELOPMENT

Biljana Pejoska Risteska¹;

Abstract

Sustainable tourism is not a discrete or special form of tourism. Rather, all forms of tourism should strive to be more sustainable. Making tourism more sustainable is not just about controlling and managing the negative impacts of the industry. Tourism is in a very special position to benefit local communities, economically and socially, and to raise awareness and support for conservation of the environment. Within the tourism sector, economic development and environmental protection should not be seen as opposing forces — they should be pursued hand in hand as aspirations that can and should be mutually reinforcing. Policies and actions must aim to strengthen the benefits and reduce the costs of tourism. Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development.

Key Words: *Sustainable tourism, social dialogue, stakeholders*

JEL classification: *Q01, Q56, L83*

Introduction

The purpose of this paper is to provide governments with guidance and a framework for the development of policies for more sustainable tourism as well as a toolbox of instruments that they can use to implement those policies. Sustainable tourism development and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various tourist segments. The principles of sustainability refer to the environmental, economic and socio-cultural aspects of tourism development. It is therefore necessary to strike a

¹ Biljana Pejoska Risteska, CEO, Economic Chamber for Tourism of Macedonia, 1000 Skopje, Macedonia, sktm@sktm.org.mk

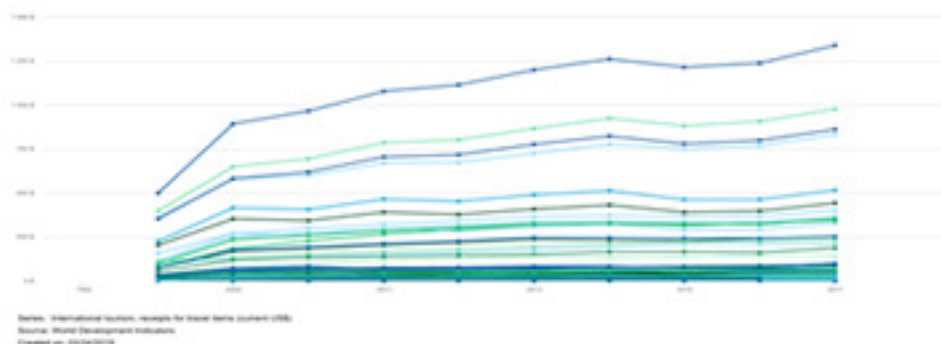
balance between these three dimensions to guarantee its long-term sustainability.

Making tourism more sustainable within itself should contain the following 12 components objectives:

1. Employment quality
2. Community wellbeing
3. Biological diversity
4. Economic viability
5. Local control
6. Physical integrity
7. Environmental purity
8. Local prosperity
9. Visitor fulfillment
10. Cultural richness
11. Resource efficiency
12. Social equity

What sustainability means for tourism and why governments need to address it. It will introduce some key principles and an agenda for more sustainable tourism, framed around a set of well known 12 Aims of Sustainable Tourism (Figure 1) (World Development Indicators, 2019).

Figure 1: *International tourism, receipts for travel items(current us\$)*



Source: *World Development Indicators (2019)*.

Tourism and sustainability

Big issues are at stake here. Further massive growth is predicted for tourism between now and 2020, providing excellent opportunities for

spreading prosperity, but presenting considerable challenges and potential threats to the environment and local communities if not well managed. **Climate change** is recognized as a major global issue, with significant implications for tourism. There is also an increasing appreciation of the potential role of tourism in addressing world poverty, by bringing sources of income to the heart of some of the poorest communities (WEF, 2015).

International tourist arrivals have almost quadrupled over the past 30 years and domestic tourism has also intensified in most developed and newly industrialized countries. At the same time, tourist movements have spread geographically to reach practically all countries of the globe, becoming for many of them an important economic sector in terms of income generation, foreign exchange earnings and employment creation. Awareness about sustainability issues - which referred originally to the natural environment but now also covers the social, economic and cultural spheres as well as the built environment - also developed significantly over those 30 years. Today, most governments, international development agencies, trade associations, academic institutions and non-governmental organizations acknowledge that, without sustainability, there cannot be development that generates benefits to all stakeholders, solves serious and urgent problems such as extreme poverty, and preserves the precious natural and man-made resources on which human prosperity is based. The tourism sector could not remain indifferent to the sustainability challenge of our times.

Sustainable tourism policy makers need to define what tourism sustainability means, what are the effective approaches to developing strategies and policies for more sustainable tourism and tools that will make policies work on the ground. It clearly shows that there is no solution for "one-fit" to address the issue of sustainability in tourism development.

However, one key universal message highlights: to succeed in making sustainable tourism, it is crucial to work together with all relevant stakeholders, both inside and outside the government. Therefore, although the report is mainly directed at governments, public authorities at all levels are encouraged to distribute their content to those private and non-governmental organizations that have an interest in securing long-term tourism sector success, in particular to a wide range of tourism businesses and their trade associations.

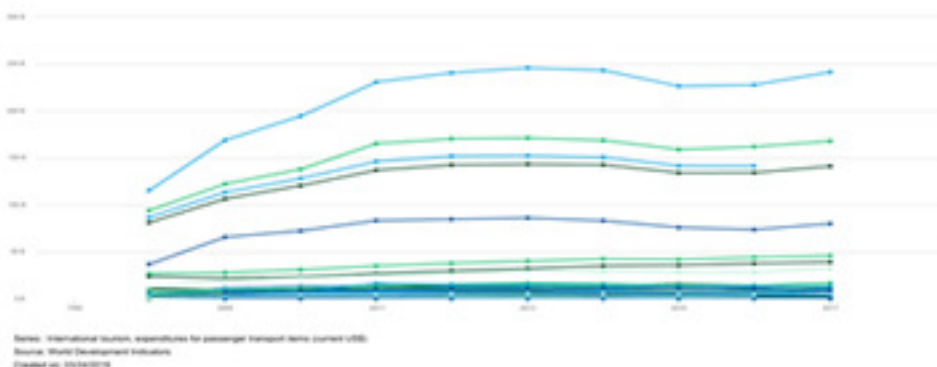
Tourism: dynamism and growth

Tourism is an activity that has grown for around 25% in the past 10 years. It accounts for about 10% of the world's economic activity and is one of the main generators of employment. However, it also has major impacts on natural and built environments and on wellbeing and culture of host populations. In roughly the same period, the concept of sustainable development has become widely accepted as a way to a better future, even though its roots go back to the 1980s. (UNWTO, 2005).

In that sense, creating tourism more sustainable as a guide for policy makers who take into account effects of tourism, both positive and negative. In this context, such a manual examines the ways in which governments, as well as other stakeholders, can develop strategies, policies and tools to maximize the positive effects of industry while minimizing adverse impacts.

Various international conventions and declarations have put forward principles and guidelines for sustainable tourism and the importance of tourism and its sustainability was underlined at the 2002 World Summit on Sustainable Development (Doods, 2012). Many countries declare that they are pursuing, or want to pursue, policies for 'sustainable tourism'. Despite this interest, there remains a degree of uncertainty over the scope and priorities for making tourism more sustainable and only partial appreciation of how to put this into practice (Figure 2).

Figure 2: *International tourism, expenditures for passenger transport items(current US\$)*



Source: *World Development Indicators* (2019).

Stakeholders in sustainable tourism

Policy implications of the Sustainable Tourism agenda are the 12 goals for more sustainable tourism that will be considered separately and will identify areas of policy relevant to each. Many different interests can benefit from tourism being made more sustainable: **Tourism enterprises**, while seeking long term profitability, should be concerned about their corporate image, the relationship with their staff, and their impact on the global environment and that immediately around them. **Local communities** are seeking increased prosperity but without exploitation or damage to their quality of life.

Environmentalists are concerned about the harmful impacts of tourism but also see it as a valuable source of income for conservation. **Tourists** are seeking a high quality experience in safe and attractive environments they are becoming more aware of the impacts of their travelling. In seeking more sustainable tourism, governments must recognize the different positions and motivations of these stakeholders and work with them to achieve common goals. Initial motivations and triggers for cooperation are:

- **A fundamental, overarching national policy position**, putting sustainability at the top of the public agenda.
- **A perceived need to change direction from high impact tourism** in order to reduce impacts on the local environment and improve quality of the product offer in line with new market trends.
- **A need to back up a tourism product** and market position that is based on the appeal of the area's natural environment with policy to underpin its good management and future sustainability.

Structures and strategies for more sustainable tourism. This part will be about establishing the right structures through which governments can work with others towards more sustainable tourism, and about the strategies that are required to develop and drive policies and actions. Particular attention will be paid to the relationship between national and local structures and existing strategies for sustainable tourism/and improvements especially in the part of promotion organic food and the construction of bio-hotels. This system is based on ecological processes, bio-diversity and practices that are adapted to local conditions (Pejoska Risteska, 2014).

Tourism and Sustainable Development Relationship

This special relationship arises because, unlike most other sectors, the consumer of tourism (the tourist) travels to the producer and the product. This leads to three important and unique aspects of the relationship between tourism and sustainable development:

- **INTERACTION.** The nature of tourism, as a service industry that is based on delivering an experience of new places, means that it involves a considerable amount of interaction, both direct and indirect, between visitors, host communities and their local environments.
- **AWARENESS.** Tourism makes people (visitors and hosts) become far more conscious of environmental issues and differences between nations and cultures. This can affect attitudes and concerns for sustainability issues not only while travelling but throughout people's lives.
- **DEPENDENCY.** Much of tourism is based on visitors seeking to experience intact and clean environments, attractive natural areas, authentic historic and cultural traditions, and welcoming hosts with whom they have a good relationship. The industry depends on these attributes being in place.

This close and direct relationship creates a sensitive situation, whereby tourism can be both very damaging but also very positive for sustainable development. On the positive side, tourism can:

- **Provide a growing source** of opportunities for enterprise development and employment creation as well as stimulating investment and support for local services, even in quite remote communities.
- **Bring tangible economic value** to natural and cultural resources. This can result in direct income from visitor spending for their conservation, and an increase in support for conservation from local communities.
- **Be a force for inter-cultural understanding** and peace.

Conversely, tourism can:

- **Place direct pressure on fragile ecosystems** causing degradation of the physical environment and disruption to wildlife.
- **Exert considerable pressure on host communities** and lead to dislocation of traditional societies.
- **Compete for the use of scarce resources**, notably land and water.

- **Be a significant contributor** to local and global pollution.
- **Be a vulnerable and unstable source of income**, as it is often very sensitive to actual or perceived changes to the environmental and social conditions of destinations.

The net result is that all those involved in tourism have a huge responsibility to recognize the importance of its sustainable development. Tourism has immense power to do good. Yet it can also be the vector for the very pressures that may destroy the assets on which it relies. Developed without concern for sustainability, tourism can not only damage societies and the environment, it could also contain the seeds of its own destruction.

For governments, tourism policies that address economic, social and environmental issues, and which are developed with an awareness of the potential both for harm and for benefit, can channel the forces resulting from the sector's dynamic growth in a positive direction. For the hospitality industry, accepting this responsibility is not only for good citizenship, but should be backed up with a strong element of self-interest, since any damage done to the natural, cultural or social environment of the destinations can lead to their eventual destruction or loss of value as a tourist product.

In economic terms, sustainability can guarantee that the key factor is already mentioned: "sustainability of enterprises and activities and their ability to maintain in the long run. The shaping of sustainable tourism addresses the process of developing a tourism strategy that encompasses sustainability and identifies some of the strategic choices that need to be made. It reviews the product and selects the market, and introduces tools that can be used to develop the impact of tourism, the operation of tourism enterprises and the behavior of visitor **Promoting sustainable consumption** - Sustainability is not just about the side of the offer. Equal attention should be paid to the impact on the model and the impact of consumption. This means an influence on the scope and nature of tourist demand, the choice of tourists as a product, and their activities and behavior (Pejoska Risteska, 2017).

Pursuing multi-stakeholder engagement - Sustainable tourism is about local control, but also about working together. All those implicated by tourism should have an opportunity to influence its development and management. This may involve formal partnerships or looser

arrangements, as well as strengthening and utilizing local democratic structures.

Ensuring ongoing progress - Adapting to changing conditions. Adaptive response and management is an important aspect of sustainable development. Tourism is sensitive to external conditions in terms of its performance and the level of its impact. Global threats, such as climate change and terrorism need to be considered in planning for future tourism and in introducing risk management policies.

Undertaking continuous monitoring using indicators - Sound management of tourism requires readily available evidence of changes in impact over time, so that adjustments to policies and actions can be made. Indicators that relate to sustainability aims and objectives should be established to monitor the condition, performance and impact of tourism. Cost effective monitoring programmes should be put in place.

Guiding principles and approaches - The development and implementation of sustainable tourism policies should be based on a number of overall principles and approaches. Some of them are inherent in the principles of sustainability, while others have been identified over time by those working in the field. Planning and development of tourism should not take place in isolation. Tourism should be considered as part of the sustainable development of communities, along with other activities. Consideration should be given to its impact on other sectors, in terms of competitive use of resources and mutual support. Excessive dependence on the economy and society of tourism should be avoided. A holistic approach is also to take into account all the influences and relationships within the tourism sector itself and to consider how all public policies can affect or be affected by tourism.

Pursuing multi-stakeholder engagement - Sustainable tourism is about local control, but also about working together. All those implicated by tourism should have an opportunity to influence its development and management. This may involve formal partnerships or looser arrangements, as well as strengthening and utilizing local democratic structures.

Planning for the long term - Short term approaches should be avoided and the long-term view encouraged, with resources committed accordingly.

Where possible, actions should be self-sustaining. Projects that are structured around short term inputs and finance must take account of how initiatives, once started, can be maintained into the future.

Addressing global and local impacts - impacts on the local environment and communities are often apparent. It can therefore be easier to gain support for policies that address these local impacts rather than for policies that address global issues. However, the sustainable development of tourism should pay equal attention to global impacts, especially with respect to pollution from tourism (such as greenhouse gas emissions) and the use of nonrenewable resources. Such global impacts also have a direct effect on tourism itself (Gössling, 2002).

Considering functional alternatives - Consideration should be given to whether the same function can be performed and the same result achieved by doing things in a way that has more positive and less negative impacts on resources. For example, in a strategy to improve visitor satisfaction by adding further recreational opportunities, preference should be given to those options that bring the least environmental and social impacts and the highest economic returns.

Undertaking continuous monitoring using indicators- Sound management of tourism requires readily available evidence of changes in impact over time, so that adjustments to policies and actions can be made. Indicators that relate to sustainability aims and objectives should be established to monitor the condition, performance and impact of tourism. Cost effective monitoring programmes should be put in place.

Instruments for more sustainable tourism

Instruments for more sustainable tourism. A detailed description is given of a set of tools, and of how they can be applied by governments. They include the use of sustainability indicators, planning, infrastructure provision, legislation and regulations, and a set of voluntary and facilitating instruments.

Governments, the market and the industry's view - Governments should recognize that interest in the sustainability of tourism is growing amongst many private sector enterprises and within visitor markets. They should take account of this when seeking to persuade the tourism industry to take sustainability more seriously, pointing out the advantages for attracting

new business and the overall profitability of a more sustainable approach (Eurostat, 2016) (Figure 3).

Figure 3: *Nights spent by European citizens*

Country	Number of establishments	Nights spent
Germany	10,000	1,000,000
France	8,000	800,000
Italy	6,000	600,000
Spain	5,000	500,000
United Kingdom	4,000	400,000
Poland	3,000	300,000
Czechia	2,000	200,000
Slovakia	1,000	100,000
Hungary	1,000	100,000
Romania	1,000	100,000
Bulgaria	1,000	100,000
Greece	1,000	100,000
Cyprus	1,000	100,000
Malta	1,000	100,000
Lithuania	1,000	100,000
Latvia	1,000	100,000
Estonia	1,000	100,000
Slovenia	1,000	100,000
Croatia	1,000	100,000
Bosnia and Herzegovina	1,000	100,000
Montenegro	1,000	100,000
Serbia	1,000	100,000
Albania	1,000	100,000
Moldova	1,000	100,000
Ukraine	1,000	100,000
Belarus	1,000	100,000
Belgium	1,000	100,000
Netherlands	1,000	100,000
Austria	1,000	100,000
Sweden	1,000	100,000
Finland	1,000	100,000
Ireland	1,000	100,000
Portugal	1,000	100,000
Greece	1,000	100,000
Turkey	1,000	100,000
Russia	1,000	100,000
China	1,000	100,000
USA	1,000	100,000
Japan	1,000	100,000
South Korea	1,000	100,000
India	1,000	100,000
Brazil	1,000	100,000
Argentina	1,000	100,000
Colombia	1,000	100,000
Venezuela	1,000	100,000
Peru	1,000	100,000
Chile	1,000	100,000
Uruguay	1,000	100,000
Paraguay	1,000	100,000
Bolivia	1,000	100,000
Ecuador	1,000	100,000
Costa Rica	1,000	100,000
Panama	1,000	100,000
Dominican Republic	1,000	100,000
Jamaica	1,000	100,000
Trinidad and Tobago	1,000	100,000
Grenada	1,000	100,000
St. Vincent and the Grenadines	1,000	100,000
Dominica	1,000	100,000
Antigua and Barbuda	1,000	100,000
Barbados	1,000	100,000
St. Kitts and Nevis	1,000	100,000
St. Lucia	1,000	100,000
Guyana	1,000	100,000
Suriname	1,000	100,000
French Polynesia	1,000	100,000
French Guiana	1,000	100,000
French Southern Territories	1,000	100,000
British Virgin Islands	1,000	100,000
Cayman Islands	1,000	100,000
Anguilla	1,000	100,000
Aruba	1,000	100,000
Curaçao	1,000	100,000
Bonaire	1,000	100,000
San Marino	1,000	100,000
Vatican City	1,000	100,000
Monaco	1,000	100,000
Liechtenstein	1,000	100,000
Andorra	1,000	100,000
San Pedro and Miquelón	1,000	100,000
French Polynesia	1,000	100,000
French Guiana	1,000	100,000
French Southern Territories	1,000	100,000
British Virgin Islands	1,000	100,000
Cayman Islands	1,000	100,000
Anguilla	1,000	100,000
Aruba	1,000	100,000
Curaçao	1,000	100,000
Bonaire	1,000	100,000
San Marino	1,000	100,000
Vatican City	1,000	100,000
Monaco	1,000	100,000
Liechtenstein	1,000	100,000
Andorra	1,000	100,000
San Pedro and Miquelón	1,000	100,000

Source: *Eurostat (2016)*.

Understanding tourists' attitudes - more than a niche market response-

Governments should recognize that interest in the sustainability of tourism is growing amongst many private sector enterprises and within visitor markets. They should take account of this when seeking to persuade the tourism industry to take sustainability more seriously, pointing out the advantages for attracting new business and the overall profitability of a more sustainable approach.

Understanding tourists' attitudes - more than a niche market response-

Governments need to understand what is important to tourists if they are to influence their behavior effectively. It has been suggested that tourists are not generally interested in the sustainability of the trips they take, and that this is a major constraint on the pursuit of more sustainable tourism. However, the interpretation of tourist response depends on the nature of the questions asked. For example, although studies of the ecotourism market (e.g. those carried out by the WTO) have concluded that this is indeed a small (albeit growing) niche market, such surveys attempted specifically to identify tourists and tour operators that were looking for, or selling, special interest holidays involving nature observation and concern for conservation as a primary motivation for the trip. Wider surveys that have attempted to assess the degree to which general consumers are interested in the interrelationship between their activities as tourists and the environment and host communities (rather than their response to the

concept of sustainability as a whole) suggest a far wider relevance in the market place.

They point to:

- Very high levels of concern for environment and society in destinations, where the issue is likely to directly affect the tourist's own wellbeing (e.g. cleanliness of the water and levels of safety).
- High and growing levels of interest by tourists in visiting natural and cultural sites during their holidays, and the authenticity and educational value of such experiences. This applies to general holidaymakers as well as to those with a specialist interest.
- Large numbers of tourists expressing concern about the impact of their travelling, both through their own actions and in their choice of tour operator or service provider.
- Considerable willingness to pay more to support local environments and communities

Corporate Social Responsibility in the tourism sector - There is a general trend amongst private sector businesses to recognize their responsibilities to society beyond their traditional functions of generating wealth and profit. Governments can use this growing awareness when developing industry-related policies and activities and as a lever to achieve industry involvement and buy-in. In companies, the concept of Corporate Social Responsibility (CSR) means adopting transparent business practices that are based on ethical values. It has started to gain ground and many companies already include social and environmental commitments in their core mission statements. Some adopt triple bottom line reporting, whereby social and environmental results are measured and reported next to financial results.

The crucial role of government

Governments have a crucial role to play in the development and management of tourism and in making it more sustainable. The level of government engagement in tourism varies considerably across the world. Contacts with governments on sustainability nevertheless reveal that most are, at least nominally, seeking to pursue Sustainable tourism. This applies equally to developed and developing countries, though the emphasis may be different.

In developing countries, interest in sustainable tourism is more likely to be linked to poverty alleviation and the funding of conservation; in the developed world, issues of rejuvenation and visitor management are more prominent. Whatever the motivation of governments, their role relates only partly to their own actions. Tourism is primarily an activity carried out by private sector enterprises, and it is their actions, together with those of tourists, that are responsible for most impacts, positive and negative.

A primary function of government in fostering more sustainable tourism is therefore to create an environment that enables or influences the private sector to operate more sustainably, and influences patterns of visitor flows and behavior so as to maximize the benefits and minimize the negative impacts of tourism.

The key reasons for the importance of the role of government are as follows:

- Much of the sustainability agenda is about areas of public rather than private concern. Although the private sector is beginning to recognize its responsibility, it cannot, on its own, be expected to take a lead on these issues.
- In all countries, the tourism sector is fragmented into many thousands of businesses, mainly micro or small enterprises. Collectively their actions can make a difference, while individually they cannot, so coordination is needed. Furthermore, very small businesses often need external support and advice if they are to change their operations successfully to meet a new agenda.
- Governments are responsible for many functions that are fundamentally important to the sustainable development of tourism, such as land use planning, labor and environmental regulations, and the provision of infrastructure and social and environmental services.

Many governments are already actively engaged in supporting tourism through marketing, information services, education and in other ways, often through joint public-private frameworks. These functions need to continue and to be more closely aligned with sustainability objectives. These arguments and functions are applicable at both national and local government levels. In many countries, many of the objectives and actions that governments are pursuing can be said to be in line with sustainability, and there is considerable recent interest in relating tourism policies to wider sustainable development or poverty reduction strategies. However,

as has already been pointed out, the understanding of what the sustainable development of tourism entails, and even the terminology, is not consistent between governments. A more systematic approach to link sustainability aims and principles to policies and tools is needed.

The SDGs (Sustainable Development Goals) and the private sector – the business case for the Goals

Private companies are key players in the tourism sector. They include accommodation providers, transport companies, tour operators, attractions, destinations management companies, technology companies and many more. Given that every tourism destination relies on a well-functioning society, a healthy environment and a stable economy, the private sector has a large role to play in ensuring all three of these conditions. Businesses must aim to generate profit, take care of the environment they operate in and create a positive social impact. They can lead tourism towards a more sustainable by embracing sustainable models and practices that do not undermine profitability; and on the contrary, make business sense. Yet, in order to become more competitive, companies need to operate in a supportive policy framework.

Improving performance by measuring impact

In many countries, tourism companies have not set criteria for measurability of economic, social and environmental impacts. For tourism businesses to play a more significant role in realizing the SDGs, they must be able to measure their progress, benchmark themselves against comparable businesses and incrementally improve their performance.

At the country level, UNWTO's Towards a Statistical Framework for Measuring Sustainable Tourism (MST) Initiative, as well as statistical capacity building and knowledge sharing are also necessary to inform evidence-based decision making and policies. Launched with the support of the United Nations Statistics Division (UNSD), the Initiative aims to develop an international statistical framework for measuring tourism's role in sustainable development, including economic, environmental and social dimensions (WTO & UNDP, 2017).

Creating an enabling environment for increased private sectoring
investment Policymakers can strengthen SDG engagement and

commitment from the private sector, financiers and investors by devising supportive policy frameworks and providing smart subsidies and incentives that are conducive to increased competitiveness, inclusiveness and sustainability. Furthermore, the private sector – particularly small and medium-sized enterprises (SMEs) which represent the bulk of the tourism sector – must be sensitized and given access to knowledge and capacity, including in new technologies that encourage investment in greener and more sustainable businesses. In those areas where voluntary action is not sufficient, the public sector needs to define clear targets, enabling policies and smart incentives that support and guide sustainable business activities and foster innovation. Furthermore, integrated and inclusive policies and strategies are needed to expand local production in the tourism supply chain, reinforce local capacities and remove barriers to trade (WTO & UNDP, 2017).

Conclusion

Competitiveness is the key business driver of sustainability: Since many activities are related to the business case for sustainability, companies are most likely to engage on SDGs where they can also improve their business results, which in most cases includes efficiency measures. Yet, the mitigation of negative impacts must go beyond resource efficiency and include more drastic measures along the entire tourism value chain.

Effective management requires consistent measurement of impact: While the tourism private sector can contribute to all activity its impact is still difficult to measure given that there is no universal means by which travel and tourism businesses and destinations can measure and monitor their progress or contribution towards the SDGs.

There is little awareness of the economic benefits of sustainability: Tourism enterprises, SMEs in particular, often lack awareness of how efforts and investment in sustainable business operations can also significantly boost competitiveness and profitability, while increasing customer and host community satisfaction.

Support to tourism must go beyond development cooperation: A number of frameworks can help leverage funds for sustainable tourism. The Enhanced Integrated Framework and the Sustainable Tourism Program can be powerful means through which tourism authorities can channel further resources to tourism. Public-private and multi-stakeholder

partnerships in tourism can also be effective ways to strengthen the engagement of the private sector and other tourism stakeholders in achieving the SDGs.

Recommendations

Recommendations for tourism policy:

- Participate in the design of national SDG strategies and ensure high priority for and integration of sustainable tourism in national policy-making and development planning institutions, as well as policy coherence and integration across inter-linked sectors;
- Devise more inclusive tourism policies by ensuring active participation of and transparent consultative processes with all tourism stakeholders;
- Design and implement a National Tourism Export Strategy to reinforce capacities and strengthen tourism value chains for enhanced local economic impact; and
- Assess and monitor tourism's contribution and commitment to the SDGs at both national and sub-national level and advance timely and systematic measurement and monitoring of tourism's impact by engaging in the Measuring Sustainable Tourism (MST) Initiative;

Recommendations for tourism private sector:

- Share experiences, good practices and lessons learned among tourism companies, and especially SMEs, to support evidence-based decision-making in relation to Corporate Social Responsibility (CSR) activities that impact on the SDGs;
- Continue investing in people, technologies and ICT so as to increase resource efficiency, reduce operational costs and minimize the footprint of the sector; and
- Increase local purchasing of goods and services along the tourism value chain to prevent 'leakage' and to enhance competitiveness and maximize positive local impact.

Recommendations for the international development community and global tourism stakeholders:

- Support the efforts of all tourism stakeholders and ensure that countries and the private sector can maximize their impact towards the SDGs through tourism;
- Build closer dialogue with global development partners from the UN System, including UNWTO, UNDP and other International

Organizations, as well as non-traditional donors to facilitate tourism's contribution to the SDGs;

- Strengthen public-private and multi-stakeholder partnerships to reinvigorate the means of implementation for the SDGs through tourism; and
- Ensure effective cooperation among all major stakeholders, including government at the national, sub-national and local level, the private sector, destinations and communities, to increase the understanding of the cross-cutting impacts of different activities across the tourism value and supply chains.

References

1. Doods, R. (2012). Ecotourism education and marine conservation: The case of Coral Park Chumbe Island, Zanzibar. *Teoros Special Edition*, Vol. 1.
2. Gössling, S. (2002). *Global environmental consequences of tourism*. Global Environmental Change.
3. Eurostat (2016). *Images*, <https://ec.europa.eu/eurostat/home>, (04 March 2019).
4. Pejaska Risteska, B. (2014). *Sustainable Tourist Development, Manual for teachers for realization of a teaching principle in the Secondary tourist schools in Macedonia: Bio-hotels and organic food*, Kultur Kontakt Austria.
5. Pejaska Risteska, B. (2017). *Guide for stakeholders in sustainable Tourism: Cheese and Wine and Tourism will Shine*. European Commission (Project from the program Erasmus + Key Action 2-K2).
6. UNWTO. (2004). *Indicators of Sustainable Development for Tourism Destinations – Guidebook*, UNWTO, Madrid.
7. UNWTO. (2005). *Making Tourism More Sustainable*, United Nations Environmental Program, UNWTO, Madrid.
8. WEF (2015). *Travel and Tourism Competitiveness Report 2015*, <http://reports.weforum.org/travel-and-tourism>, (04 March 2019).

9. World Development Indicators (2019). *Images*, <https://datacatalog.worldbank.org/dataset/world-development-indicators>, (04 March 2019).
10. WTO, UNDP (2017). *Tourism and the Sustainable Development Goals – Journey to 2030, Highlights*, UNWTO, Madrid.

TOURISM DEVELOPMENT IN SERBIA – BETWEEN RHETORIC AND REALITY

Milan Stamatović¹; Aleksandar Jovičić²;

Abstract

This paper examines the underlying problems that appeared in the practical implementation of a Serbian tourism development strategy during the period of 2000-2018 and proposes appropriate countermeasures. The apparent issues have been divided into two categories: curable issues and incurable paradoxes. This paper examines the five curable issues and suggests the government reaction aimed at compensating for the identified issues: 1) the lack of continuity in tourism priorities, 2) the lack of continuity in plans of detailed regulation, 3) the lack of presence of "low-cost" air carriers, 4) speculative volatility risk of land value included in the investment project, and 5) low tax collection rate of property tax, building tax and tourism tax. Regarding the two incurable issues, this paper elaborates on two of them and explains why the government should ignore them: 6) the poor level of staff skills and 7) poor inspection of labor, building, and tourism in the country.

Key Words: *tourism, development, strategy, issues, recommendations*

JEL classification: *Z38, O29, H73*

Introduction

The analysis presented in this paper is based on the policy analysis and results achieved in the development of Serbian tourism during the period of 2000-2018. Tourism Development Strategy of the Republic of Serbia 2016-2025 (hereinafter, STDS) stipulates: An analysis of the arrivals to Southern/ Mediterranean Europe shows that only a few countries in the Balkans have fewer arrivals than the Republic of Serbia: Bosnia and

¹ Milan Stamatović, PhD, Full Professor, Business and Law Faculty, University Union "Nikola Tesla", Knez Mihailova 33, Belgrade, Serbia, e-mail: stamatovicm@sbb.rs, +381.63.873.6229,

² Aleksandar Jovičić, MBA, Fidelity National Information Services (FIS), Milutina Milankovića 136B, Belgrade, Serbia, e-mail: jovicicaleksandar@yahoo.com, +381.63.362.824

Herzegovina and Macedonia, while Croatia has eleven times more arrivals, Albania three times, Slovenia two times and Montenegro 30% more arrivals (p. 30). Simić & Marinović (2018) agree that: there is a lot of room for improvement in the travel and tourism field in the Republic of Serbia (p. 377). The objective is to critically reflect on the: 1) implications of the current legal framework and 2) practical implementation of strategic priorities aimed towards facilitating the continuous development in this area.

The approach is more practical than theoretical; it is not based on the analysis of current priorities. We deliberately choose not to compare current (2016-2025) to previous (2006-2015) strategy, in terms of priorities and results. For our scope, we looked at the period of 2000-2025 as one continuous process of development and focused on issues that keep appearing throughout the period, regardless of chosen priorities. We tried to understand the underlying problems that appear in the practical implementation of a strategy and proposed appropriate countermeasures for identified issues. Issues have been divided into two categories - curable issues and incurable paradoxes. Two actions are recommended: 1) ignore paradoxes that arise and 2) focus on curable issues.

Our paper examines the top five curable issues: 1) The lack of continuity in tourism priorities and the lack of coordination in the process of strategy implementation caused by discrepancy between regional and national interest; 2) The lack of continuity in plans of detailed regulation (PDR) and frequent PDR modifications with the same pattern - new buildings replacing playgrounds and parks; 3) Poor presence of "low-cost" air carriers, the lack of train line connecting Belgrade Airport with the center of Belgrade, and the lack of direct train line connecting Pančevo with Belgrade; 4) Speculative land transaction with the land included in the investment project: 4.1) Rural land often becomes a subject of a speculative trade prior being included in the investment project and 4.2) Speculative land owner insists on selling the land to government instead of renting it or exchanging it for appropriate land of same quality; 5) Poor tax collection of property tax, building tax and tourism tax. Each of these issues is elaborated on in three phases. Firstly, we identify the difference between good practice and a current situation in Serbia, aimed towards clarifying the context i.e. reasons for the identified discrepancy. Secondly, we identify key problems aimed at clarifying which policies failed to produce expected results and why, i.e. what is wrong with the current

policy. Finally, we propose the appropriate corrective actions, i.e. suggest the government reaction aimed at compensating for the identified issues.

Regarding the incurable issues - treated as paradoxes, this paper elaborates on two of them: 1) The poor level of staff skills in Serbian tourism due to migration of educated people from Serbia into more developed countries and 2) Poor labor, building, and tourism inspection. Each paradox is examined from the perspective of the current Serbian business environment. We explain the reasoning behind the statement that those issues are incurable, although a corrective measure may be proposed, and the issue is capable of being implemented.

In conclusion, one should ignore the paradoxes and try to cure the curable issues by implementing proposed corrective actions, aiming to contribute to positive development trends initiated by previous and continued by the current strategy.

Tourism development strategy

The Law on Tourism and Tourism Development Strategy represent two key documents in relation to tourism. The STDS (2016) noted following types of planning documents: the Tourism Development Strategy of the Republic of Serbia; Strategic Master Plan; Strategic Marketing Plan; Tourism Product Development Programme; Tourism Development Programme; Programme of Promotional Activities (p. 68). Key properties of the STDS (2016) are stipulated in the document itself: The Strategy is being adopted for the period of the next decade for the territory of the Republic of Serbia. The Strategy defines planning and tourism development long-term goals in accordance with the overall economic, social, environmental and cultural development. The Government adopts the Strategy on the basis of the proposal of the Ministry of Tourism (p. 68).

Issue 1a: The lack of continuity in priorities defined by the Strategy. Tourism Development Strategy lacks continuity because priorities change due to dependency on political cycles. STDS (2016) begins with the critique of previous policies: In contrast to the proclaimed policy of balanced regional development and stimulation of entrepreneurship and private small and mid-sized enterprises and restructuring of the economy through effective privatization, the policy pursued was that of centralized and interventionist development (p. 9). Owing to budgetary constraints

and other development priorities, as well as the neglect and non-recognition of tourism as one of the key economic sectors, the Government failed to implement an active tourism policy (p. 6). From one side, in developed countries – policy priorities depend more on profitability than on a political cycle. From the other side, in Serbia – development priorities of one government tend to be put aside by the proceeding government.

Example 1a: The prior tourism development strategy of the Republic of Serbia 2006-2015, i.e. STDS (2006) treated mountain Stara Planina as a priority, and consequently most of the required infrastructure had been built (hotel, ski tracks, and gondola). However, some parts of the project have not been finalized (roads are still incomplete) and for that reason private investors still haven't started to invest in that region. From one side, it makes sense to finish the project, and this should be a priority for the betterment of society. From the other perspective, the prior government's project has little incentive value to the investor, particularly in the context of the abovementioned critique.

Recommendation 1a: One needs to find a method to prolong the investment cycle beyond the current political term. One option would be to append into the strategy explicit language obligating to finish all previously started projects and forbidding major investment in new priorities until the previous projects have been either 90% finished or officially discontinued.

Issue 1b: The lack of coordination in implementing the strategy caused by a discrepancy between regional and national interests. Each region has interest in attracting as many investments as possible, and if this ambition is supported on the political level, it will take away investments that could have been utilized more efficiently in some other region. Heterogeneous regional interests have not allowed the establishment and realization of the regional development concept based on economically rational criteria. Projects that could have had a greater impact on tourism development have been neglected and destroyed due to conflict of regional and national interests (Gajić et al., 2014, p. 125). STDS (2016) recognizes that lack of coordination has been identified as an issue in the previous period: There was no efficient programme/action relationship between different departments and levels of the authorities in the implementation of the previous strategy in terms of planning and implementation of infrastructural maintenance of tourist destinations, timely planning and

coordination in defining priorities, deadlines and implementers (p. 10). STDS (2016) confirms that the cure for coordination issue has not been found and it mentions this issue both in terms of weaknesses and threats. Regarding SWOT weaknesses: Absence of effective cooperation between ministry departments in the planning and implementation of development programmes in the tourism industry, especially in terms of coordination in the development of road and utility infrastructure, and rural and cultural tourism (p. 38). Regarding SWOT threats: disconnected and uncoordinated activities in the implementation of the Strategy and the Action Plan for the implementation of the Tourism Development Strategy of the Republic of Serbia from 2016 to 2025 (p. 39). Following the SWOT analysis, STDS (2016) sets an objective of tourism development: establish an efficient system of coordination of activities between all entities of tourism development in accordance with their obligations, rights and interests (p. 55).

STDS (2016) nominates the entity empowered to manage the coordination: The National Council for the Development of Tourism of the Republic of Serbia has a coordinating role in the process of implementation of the Strategy, which brings together representatives of the four sectors: the Government and ministries (public), the economic sector (private), NGO (associations) and the academic sector (p. 67). STDS (2016) defines the tourism business mission of the Republic of Serbia and requests that it: should be made efficient in terms of identifying the ranking of the Republic of Serbia's support for tourism, in accordance with the financial and institutional capacities of the Republic of Serbia to make a step forward in the tourism industry (p. 43). The Government should ensure the coordination of all institutions, agencies, organizations and associations of importance for the implementation and enforcement of the Strategy and the Action Plan (p. 44). STDS (2016) assumes that: by accepting the Strategy, the Government will accept not only the vision and goals of tourism development, but also other duties and responsibilities, in particular: 1) To position tourism as one of the priority development sectors (p. 45-46).

Recommendation 1b: One need to quantify the priorities. Nomination of the entity in charge for the coordination is a good step, but it does not solve the key issue i.e. the missing criteria for prioritization. Authority will act a final judge, but we need to provide objective criteria for a judgement, such as quantified percentage of investments to be dedicated to specific priority. From one side, STDS (2016) defines key priorities i.e.

areas where most of the investments will go, and labels them as important tourism products: Tourism products of particular importance for tourism development are: 1) City breaks; 2) Festivals/Events (cultural, sporting, etc.); 3) Mountain tourism; 4) Spa and wellness/health tourism; 5) Thematic routes; 6) Rural tourism; 7) Nautical tourism; 8) Meetings, incentives, conferences and exhibitions/events (MICE tourism); 9) Cultural heritage; 10) Special interests; 11) Transit tourism (p. 34). From the other side, STDS (2016) should be appended to include the percentage of total available funds attached to each priority, meaning that each one should be financed with the said percentage of available funds, and a sum of all percentages should be 100%. For example, 1) SPA tourism 20%, 2) Festivals 30% and 3) Ski resorts 50%, summing up to 100%. Concrete percentages may be defined in some other planning act, such as action plan, but it would be ideal to locate them in the Strategy itself. The objective of proposed measure - the quantification of priorities is to limit the space for a dispute caused by the discrepancy between regional and national interest in the implementation phase, that could lead to suboptimal fund allocation.

Plans of detailed regulation of tourist destinations (PDR)

STDS (2016) explains that planning process in tourism relies on the master plan, spatial and urban plans: The Strategic Master Plan is the starting point for the development of spatial and urban plans for priority tourist destinations. The spatial and urban plans for areas which have been proclaimed tourist sites determine the conditions for tourism infrastructure and, in holiday locations in the tourist area, conditions for the construction of tourism superstructure. The conditions are defined by the Ministry of Tourism based on the request of the authority responsible for the preparation and adoption of the spatial and urban plan (p. 69). Regarding the planning principles: The Strategy has to be coordinated with the Spatial Plan of the Republic of Serbia and clearly defined objectives of planning of all departments or institutions responsible for the activities of importance for the development of tourism (p. 67). In practical terms, following the project approval, an investor explores the limiting provisions i.e. mandatory requirements stipulated in the PDR. STDS (2016) recognizes the existence of PDRs as a strength within the SWOT analysis of the tourism planning process: Modern regulatory framework for the planning of tourist destinations (tourism master plans as input for spatial plans/plans of detailed regulation of tourist destinations) (p. 37).

Issue 2a: The lack of continuity in plans of detailed regulation (PDR), i.e. plans keep changing with every new political cycle. In theory, PDR should be valid for at least twenty years, while in Serbia they are often changed in significantly shorter periods, e.g. once in five years. Consequently, some Serbian towns do not have business tourism (MICE) because a new owner has changed the purpose of the hotel after the privatization. For example, the hotel Zlatibor located in the center of Užice is closed, and business tourists stay at the hotel Zlatiborska Noć, located in Bela Zemlja, seven kilometers from the city center. The root cause is the major decline in industrial activity in many Serbian towns, leading to a complete shutdown of most if not all factories in some region. Consequently, foreign business visitors have significantly decreased or completely stopped business visits to that region. Finally, new hotel owners have decided to change the main purpose of the hotel, effectively leaving the town without the accommodation suitable for business tourism. STDS (2016) recognizes the requirement for investments in business tourism: activities of special importance for tourism development that will be supported through funding by the Ministry of Tourism: 6) Organization of conferences and events - strengthening the Republic of Serbia as a MICE tourism destination (p. 66).

Recommendation 2a: The strategy should be appended to explicitly prohibit any modification of PDRs in the period of twenty years. Only after twenty years have passed, a specific PDR could be modified. On top of it, privatization procedure should be appended to prevent the purpose modification of a privatized hotel if that hotel is the only one in the city.

Issue 2b: On-site construction may start before the PDR has been fully completed with required details, or even without the PDR, if a project is supported by the local government.

Recommendation 2b: The strategy should be appended to explicitly prohibit the beginning of onsite construction works without the PDR being finalized in detail. A dozen pages without necessary details should not be treated as a valid document, even if they are labeled a PDR.

Issue 2c: Frequent PDR modifications with the same pattern – new building replaces playgrounds and parks. Investors are motivated by profit and backed up with the local government. For example, in the center of New Belgrade, parking and children playground have been

converted into residential buildings, leaving church visitors without the parking place and children without the playground. Purpose modification has been done with the support of clerical administration and local government.

Recommendation 2c: Modification of PDR should not allow purpose modification where buildings (business or residential) replace empty space (park, playground), but should allow the opposite. State/Government is expected to act as a regulator and use the legislative power to affect the company activities (Jovičić et al., 2019, p. 27).

Air and rail transport

Transport is one of the key factors for tourism development. Affordable prices could significantly increase tourist inflow. This paper focuses on air and rail transport. An example of a tourist visiting a city for a weekend with the budget of 300 EUR clearly shows the impact of air transport costs. From one side, most European cities use the benefits of low-cost airlines to boost city tourism. A tourist that spends 20 EUR for a low-cost airplane ticket to Rome, will spend remaining 280 EUR of his budget in the city. From the other side, Serbia does not use this benefit at all, or usage is very limited. A tourist that spends 200 EUR for a regular airplane ticket to Belgrade, will spend remaining 100 EUR of his budget in Belgrade. The total costs are the same, but distribution is significantly different. Key point is – the more you spend on airplane ticket, the less you spend in the city. A key lesson is – in order to boost tourism, one needs to decrease the cost of transport, and this is the area where Serbia is lagging compared to other European cities.

Regarding air transport, STDS (2016) recognizes this issue and stipulates: poor presence of "low-cost" air carriers as a weakness in the SWOT analysis of Serbian tourism (p. 37). Further, STDS (2016) suggests that: infrastructure and transportation sector should enable market access for low-cost airlines (p. 53). Finally, STDS (2016) assigns concrete entity to be in charge of the improvement of conditions for low-cost airlines: in order to further develop air traffic in the Republic of Serbia, a new public company "Aerodromi Srbije" was formed, intended to put to use a large number of unused airports, facilitate conditions for low-cost airlines and improve air traffic and the availability of a large number of tourist destinations in the Republic of Serbia (p. 16).

Issue 3a: Poor presence of "low-cost" air carriers since low-cost airlines are not allowed to operate on the level of the market demand. The issue originates from the interest of Air Serbia to keep the high prices of airplane tickets. From one side, the company interest is a legitimate one, as the goal of each company is profit. From the other side, the government has a right and obligation to react i.e. finetune the level of deregulation.

Recommendation 3a: Government should improve conditions for low-cost airplanes. In the *Wrath of Khan* (1982), Spock says that: logic clearly dictates that the needs of the many outweigh the needs of the few. The interest of millions of tourists for affordable airplane ticket should outweigh the need of one company to keep high profits. This issue is comparable to the issue of grocery store Lidl not being allowed to operate in Serbia for two decades, and the resolution is expected to be comparable as well.

Regarding the train transport, it has a complex role in the Republic of Serbia, mainly due to issues accumulated in previous three decades of underinvestments due to lack of funds. In recent two decades, significant effort has been put into modernization, mainly financed by multilateral creditors such as European Bank for Reconstruction and Development (EBRD), International Bank for Reconstruction and Development (IBRD) and European Investment Bank (EIB). The railway system (public enterprise Serbian Railways) has been separated to infrastructure and operations in order to increase competition by enabling the equal access to public railway infrastructure.

Issue 3b: The lack of train connecting Belgrade Airport with the center of Belgrade.

Recommendation 3b: STDS (2016) should be appended to explicitly set the target date for opening the train line connecting Belgrade airport with the center of Belgrade. The existing city bus lines and taxi service should not be used as an excuse for not having quick and affordable train transport.

Issue 3c: The lack of direct train line connecting Pančevo with Belgrade. Consequently, it is much harder to live in Pančevo and work in Belgrade. Current situation matches the interest of the residential building industry and harms the interest of people that are left without the option to live in

Pančevo and forced to buy or rent more expensive apartments in Belgrade.

Recommendation 3c: STDS (2016) should be appended to explicitly set the target date for reopening direct train line connecting Pančevo with Belgrade. Existing line where passengers need to switch the train during the trip should not be used as an excuse for not having a fast and affordable direct train line.

Speculative land transactions

Tourism development assumes building, and building assumes land, and land may be subject of speculative transactions. Normal rural land with the price of X per square meter may be priced 10 X after it has been included in some investment project. The example of a ski resort may illustrate the current situation. From one side, in developed countries, such as Slovenia, when ski track uses private owned land, the common practice is that owner of a ski resort (state for example) offers to land owner to choose a method of compensation. One option for a land owner would be to rent his land and get regular economic rent as a compensation for land usage. The state would agree to pay the economic rent to the land owner during the winter months, when this land is used as a part of a ski track. Alternatively, the owner may choose to receive compensation in the appropriate land of the same quality in the same area. From the other side, in Serbia, two issues may appear

Issue 4a: Rural land often becomes a subject of a speculative trade prior to being included in the investment project. Speculative land owner profits on the difference between his buy price of X before investment project has been announced, and his selling price of 10 X agreed with the new buyer (public enterprise in charge for the implementation of new investment in tourism development) after the land has become the scarce resource included in the project.

Recommendation 4a: Government should avoid including any land in the tourism investment project if the land has changed the ownership due to trade in the period up to two years before the project has been announced.

Issue 4b: Speculative land owner insists on selling the land (included into tourism investment project) to the government instead of renting it or exchanging it for appropriate land of the same quality. Moreover, the

selling price tends to be significantly higher compared to the market price. Finally, this process may be supported by the local government.

Recommendation 4b: Strategy should be appended to explicitly prohibit the state to buy land. If land owner is not willing to agree on land exchange or rent, the project should be modified to exclude the debatable land.

Poor tax collection

Poor tax collection is neither specific for Serbia nor for the current period. However, Serbia has created a tax related paradox that should be carefully analyzed. From one side, it is logical to expect that municipalities with developed tourism (more hotels, restaurants and tourists) should have higher tax revenues compared to those with less developed tourism (fewer hotels, restaurants and tourists). From the other side, some Serbian municipalities fail to follow this logic. In order to understand the regulatory environment and the context of Serbian business practice, we need to focus on three taxes: (1) property tax, (2) building tax and (3) municipal tourism tax. (1) The property tax is a levy on property that the owner is required to pay. The tax is levied by the local body like Municipality in which the property is located. (2) The building tax is a tax paid by owner to the governing authority of the jurisdiction in which the building is constructed, after the building construction is completed. (3) The municipal tourism tax a.k.a. the municipal accommodation tax (MAT) is a tourist tax per person per night.

Issue 5a: Poor tax collection of property tax reduces government revenues and enables tax evasion. This issue is neither new, nor specific for tourism. The root cause of the issue is ownership i.e. tax evasion is a consequence of undetermined ownership. Ownership is deliberately kept undetermined in order to avoid the property tax. It is a common case that, after the original owner has deceased, successors divide the inherited land in line with local customs and fail to legally transfer the ownership. Instead of updating the cadaster land parcels as a fundamental source of data showing the details of ownership and value of land, successors tend to participate centennial legal disputes, partially initiated by the prospect of tax exemption until the dispute is resolved. Consequently, a public register made for the purpose of taxation is not able to collect a property tax, neither from a deceased, nor from the undetermined successor. Moreover, if the property is inherited by a large number of owners, most

of them may decide not to pay property tax. In either case, either due to undefined owner or due to a large number of owners, the amount of unpaid taxes is huge and increasing. Finally, and on the top of it, Government has a "wrong" policy of tolerating the tax evasion, both in case when the owner does not pay any income tax and in case when the paid amount is minimal, i.e. significantly smaller than the expected amount. STDS (2016) recognizes this issue and stipulates: a large number of facilities, the ownership of which is not determined (p. 37) as a weakness in the SWOT analysis of Serbian tourism.

Kostadinova (2016) reports on the example of good practice: "Municipal Economic Development in Eastern Serbia" project, financed in 2015 by the Swiss Agency for Development and Cooperation (SDC) and the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) tried to engage field enumerators in nine municipalities to update existing taxpayers' registers. Property tax databases had not been updated for a long time, in some municipalities for more than 15 years, leading to 25% of property being outside the taxation scope. In Sokobanja, the number of tax applications has increased tenfold, from 308 in 2013, to around 3,000 in 2015, only by registering weekend cottages. The approach is based on the underlying principle that it is fairer to register all forms of property instead of burdening already registered tax payers with increased tax rates. Consequently, nine municipalities in Eastern Serbia registered a 123% increase in the property tax collection rate, in 2015. The top five municipalities that achieved the best results received a substantial incentive grant from the SDC worth one million CHF, ranging from 75,000 to 400,000 CHF.

Recommendation 5a: The government should improve the national monitoring framework for property tax collection, i.e. encourage municipalities in Serbia to update existing taxpayers' registers by following the piloted taxation model.

Issue 5b: Poor tax collection of building tax due to the sluggish pace of regularization of unauthorized constructions. This issue is directly related to property tax issue i.e. the government has a policy of tolerating the tax evasion.

Recommendation 5b: The government should encourage municipalities in Serbia to increase the building tax collection rate. Government should provide incentive grant to municipalities that achieve the best results –

similarly to previous action related to property tax. The complexity of proposed action is to get the trust of the municipalities that their effort will be rewarded according to results, due to the common opinion that money distributions from republic funds depend on political criteria rather than on task accomplishment.

Issue 5c: Poor tax collection of tourism tax. STDS (2016) recognizes this issue and stipulates the root cause: massive level of unregistered capacities and operations in the "grey zone" (p. 37) as a weakness in the SWOT analysis of the Serbian tourism.

Recommendation 5c: Tax reforms should increase the quality of the tax administration, as effective and honest administration can serve to address all three issues of poor tax collection. McClellan (2013) suggests that: by reducing corruption, policymakers also reduce evasions, thereby receiving better returns on reform than by focusing solely on evasion. Serbia should have effective tax administration in order to raise the tax revenues while minimizing the burdens on the population. Pindžo & Barjaktarević (2018) provide an encouraging update on recent Government activities: In order to reduce the effects of the - shadow (grey) economy, to provide support to the tourism industry and to obtain more realistic statistical data, the Government of the Republic of Serbia has begun reforming the tax system with regard to individual accommodation service providers (p. 352).

According to Jovičić et al. (2018): some issues are systematic in nature, i.e. paradoxes are immanent, and one should ignore the paradoxes as non-curable issues and focus on curable issues. (p. 50). After identifying the top five curable issues, we move on to the top two incurable issues.

Poor level of staff skills

Andevski et al. (2012) elaborate that: education in Serbia faces challenges of reforms and rapid adaptation to demands of the global environment, as well as to high standards and expectations. Hanić and Stamatović (2013) stipulate that: Among all the market factors of production, the labor market in Serbia is the least developed, very particular and complex. The educational system of the Republic of Serbia is based on good practices inherited from the former Republic of Yugoslavia. Secondary education at the lowest level of difficulty is tailored towards training cooks, confectioners and waiters, while the higher level of secondary education

trains receptionists (front office in a hotel) and customer service representative (front office in a travel agency). Higher education is delivered by high schools for tourism and by the department of tourism on post-secondary education within a faculty setting. Lukinović et al. (2017) remind that: a key factor in achieving and preserving the competitive advantage is the human factor, i.e. innovative and creative workforce. From one perspective, the quality of education has never been a problem, but some authors see the room for improvement. Vukić & Vukić (2018) suggest that: although in most developed countries Vocational Education and Training (VET) is based on the principle of dual education, in our country only a small number of higher education institutions use this model (p. 622). On the other hand, the quantity of skilled staff is poor. Maksimović & Stamatović (2018) confirm that: human resources are very limited in terms of both the need for capacity and the development of awareness, organization and management of rural tourism (p. 539). STDS (2016) recognizes this issue and stipulates: quality of workforce in the tourism and hospitality industry (p. 38.) as a weakness in the SWOT analysis of Serbian tourism. Further, STDS (2016) suggests that the tourism policy of the Republic of Serbia should have the following task: improvement of human resources and labor market - adapt the education system to the tourism and hospitality industry and related activities according to international standards, uniform coverage of the whole Republic of Serbia with a vocational school system for hospitality and hotel management, develop new teaching plans and programmes for formal and informal knowledge and the acquisition of new skills and new professions in the tourism and hospitality industry and related sectors (p. 54). Moreover, in the chapter related to priority activities in tourist destinations, STDS (2016) stipulates: activities of special importance for tourism development that will be supported through funding by the Ministry of Tourism: 9) Research activities, education and training in tourism (p. 66). Finally, the tourism growth model presented in STDS (2016) assumes that government should: raise the level of staff professionalism and skills (p. 46).

Issue 6a: Staff skills in Serbian tourism have gradually eroded due to migration of educated people from Serbia into more developed countries. Migration of the educated workforce has been and will remain a huge problem. Young people tend to leave Serbia as soon as they get the required education, motivated by significantly higher salaries. Countries with lower salaries are not able to stop the emigration. Consequently,

people all over Europe are moving from poor to rich countries. This issue is not specific to Serbia and has nothing to do with the educational system. The economics of the workforce supply simply dictates higher salaries. Tourism follows the same trends as health sectors, thus the skilled workforce in tourism moved from Croatia to Germany, creating a void for the skilled workforce from Serbia to move to Croatia. The government of any European country where salaries are lower compared to nearby countries cannot stop the economic migration, neither in health sector, nor in tourism. Serbian employees will migrate from Serbia searching for a higher salary (Jovičić & Stamatović, 2018). The Serbian government cannot do anything to compensate for the identified trend. We recommend the Serbian government to examine this issue as a paradox i.e. to ignore it as incurable in order to focus the attention on appropriate curable issues.

Poor tourism inspection of projects financed by the government

Technical control of the project implementation assumes supervision of the execution of investment projects and it is mainly focused on the appropriate use of funds. STDS (2016) stipulates that the government should control the implementation of tourism projects: It is necessary that the ministry departments and local governments enable supervision of the execution of assigned tasks and appropriate use of funds (p. 67). Further, STDS (2016) recognizes that inspection of tourism projects has been identified as an issue in the previous period and stipulates: insufficiently effective inspection mechanisms (p. 38) as a weakness within the SWOT analysis of Serbian tourism. Finally, one of STDS (2016) tasks is to organize the control and inspection of tourism project financed by Government: the tourism policy mission comes down to the following key features: 2) organization of control, enforcement and compliance with laws, regulations and norms of acceptable behavior in performing activities (inspection) (p. 53). Tourism inspection depends on labor and building inspection. Labor inspection is performed by a labor inspector, employed by local or central government, to inspect employment and labor conditions in firms in order to check whether firms comply with labor law. A building inspection is performed by a building inspector, typically employed by the local/central government to inspect worksites in order to check whether a building meets local and national building/construction codes, contract specifications and zoning regulations.

Issue 7a: Poor labor, building and tourism inspection. Poor tourism inspection of projects financed by Government is caused by poor labor inspection and poor building inspection. In terms of time, both labor and building inspection precede the tourism inspection making the last one heavily dependent on the findings of its predecessors.

Regarding the labor inspection, the general trend in transition countries is to attract foreign investors by minimizing the rights of employees and their unions and maximizing the power of employers. Škorić & Jovanović (2018) argue that: significant fluctuation of employees in tourism in Serbia and the departure of a large number of skilled workers abroad require a different approach in the employment policy and the engagement of workers in this field (p. 603). However, the observation that the general economic environment does not favor the labor inspection and diminishes its significance has nothing to do with the tourism itself. If employment in the "grey zone" is partially tolerated by local municipalities with the objective of attracting investors, the spillover effect will consequently minimize the relative power of tourism inspection as well. Finally, this is a systematic issue - one must firstly improve the labor inspection in order to provide the economic environment in which tourism inspection makes sense.

Regarding the building/construction inspection, the current balance of power in Serbia is such that building/construction lobby has relatively high power and influence. Moreover, the observation that general economic environment does not favor the building inspection and diminishes its significance is largely unrelated to tourism itself. If building/construction in the "grey zone" is partially tolerated by local municipalities with the objective to attract investors, the spillover effect will consequently minimize the relative power of tourism inspection as well. Finally, this is a systematic issue - one must firstly improve the building/construction inspection in order to provide the economic environment in which tourism inspection makes sense.

Since Ministry in charge for tourism is not in the position to influence neither labor nor building control, we advise the Ministry to look at the issue of poor tourism control as a paradox i.e. to ignore it as incurable in order to focus the attention on appropriate curable issues.

Finally, an example of from the financial sector may illustrate the practical reasons why tourism inspection did not have appropriate

effectiveness in Serbia in the last two decades. The Central bank executes the control of commercial banks via its department for control. The Central bank as an institution has a real leverage over any commercial bank because it may destroy it, i.e. denying the license of that bank to operate. In real life, the ability to control originates from the ability to destroy. Further, the head of Central bank has political support of the government and is in political terms positioned higher compared to the head of any commercial bank. From the other side, the number of institutions with the prerogatives comparable to Central bank is short. The head of Government auditing institution, i.e. the state auditor is in political terms positioned lower compared to head of a public enterprise. Consequently, the State auditing institution does not have real power over a public enterprise. Similarly, the head of tourism inspection is not in the position to enforce effective inspection unless the whole economic balance of power is shifted.

Conclusion

A practical approach focuses on issues that keep appearing regardless of political cycles, and the selection of priorities in the last two decades has demonstrated the underlying problems that appear in the implementation of a tourism development strategy. Issues have been divided into the curable and incurable. We have proposed appropriate recommendations in order to concentrate on and fix curable issues, and we also explained why we recommend the policy makers should ignore systematic and incurable issues.

Regarding the curable issues, this paper provides recommendations on how to fix five of them: 1a) The strategy should include the requirement to finance the finalization of existing projects prior to financing new priorities; 1b) The strategy should include the percentage of total available funds attached to each priority, meaning that each one should be financed with the appropriate fund allocation percentage for all priorities; 2a) The strategy should prohibit any modification of plans of detailed regulation of tourist destinations (PDRs) in the period of 20 years; 2b) The strategy should explicitly prohibit the commencement of onsite construction works without the PDR being finalized in details; 2c) Modification of PDR should never allow purpose modification where buildings (business or residential) replace empty space (park, playground); 3a) The government should improve conditions for low-cost airplanes; 3b) The strategy should set the target date for opening the train line connecting Belgrade airport with the center of Belgrade; 3c) The

strategy should set the target date for reopening the direct train line connecting Pančevo with Belgrade; 4a) The government should avoid including any land in the tourism investment project if land has changed the ownership due to trade in the period up to two years before the project has been announced; 4b) The strategy should prohibit the state to buy the land included in tourism project financed by the government; 5a) The government should improve the national monitoring framework for property tax collection, i.e. encourage municipalities in Serbia to update existing taxpayers' registers by following the piloted taxation model; 5b) The government should encourage municipalities in Serbia to increase the building tax collection rate; 5c) Tax reforms should increase the quality of the tax administration, as effective and honest administration can serve to address all three issues of poor tax collection.

Regarding the incurable issues, this paper explains why the government should ignore them: 6) Poor level of staff skills in Serbian tourism is caused by unstoppable migration of educated people from Serbia into more developed countries and 7) Poor tourism inspection is a consequence of poor labor inspection and poor building inspection. Tourism inspection cannot overcome the issues caused by poor labor inspection, due to the general trend in transition countries to attract foreign investors by minimizing the rights of employees and their unions and maximizing the power of employers. Lastly, tourism inspection is unable to overcome the issues caused by poor building inspection and the tourism inspectors should leave the building inspection to deal with building/construction lobby.

References

1. Andevski, M., Urošević, S., Stamatović, M. (2012). Discourse of sustainable development – a base of environmental education in Serbia. *Environmental Engineering Management Journal*, Vol.11, No. 9, 1611-1626.
2. Government of the Republic of Serbia, Ministry of Trade, Tourism and Telecommunications, *Tourism Development Strategy of the Republic of Serbia for the period 2006-2015*.
3. Government of the Republic of Serbia, Ministry of Trade, Tourism and Telecommunications, *Tourism Development Strategy of the Republic of Serbia for the period 2016-2025*, Official Gazette of the RS no. 98/16

4. Hanić, A., Stamatović, M. (2013). Self-Employment of Young People: Study on potential Entrepreneurs in Serbia, in Economic Sciences on The Crossroad, *Institute of Economic Sciences*, Belgrade, 601-618.
5. Jovičić, A., Stamatović, L. (2018). Can migration reduce the positive effect of investments in education? *International Scientific Conference "Theoretical and Empirical Aspects of Economic Science - 60 years of Challenges and Opportunities"*, Belgrade, 211-214.
6. Jovičić, A., Đokić, A., Stamatović, L. (2018). Management in the Serbian IT sector – specificities and recommendations. *FBIM Transactions*, Vol. 6, No. 2, MESTE, 44-53.
7. Jovičić, A., Đokić, A., Denić, N. (2019). Sustainable development of enterprises: an ecological economics perspective. *Ecologica*, Vol. 26, No. 93, 26-30.
8. Kostadinova, D. (2016), Municipalities in Eastern Serbia Champion Property Tax Collection, <https://www.urbanet.info/property-tax-collection-serbia/>
9. Lukinović, M., Stamatović, M., Šarkić N. (2017). *Inovacije: pravno-ekonomski aspekt*, Službeni glasnik, Beograd, ISBN 978-86-519-2122-6.
10. Maksimović, S., Stamatović, M. (2018). The conceptual framework of the project approach in the rural tourism in Serbia, *International Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, Thematic proceedings II, 538-555.
11. McClellan, C. (2013). The Consequences of Poor Tax Administration: Collections, Growth, and Corruption. *Dissertation*, Georgia State University, 152-154.
12. Nimoy, L., (1982). *Star trek 2: the Wrath of Khan*, Paramount.
13. Pindžo, R., Barjaktarević, L. (2018). Digital transformation of tourism, *International Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, Thematic proceedings I, 340-355.

14. Simić, I., Marinović, I. (2018). Digital transformation in the function of improving the competitiveness of the Republic of Serbia in the tourism sector. *Intrenational Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, Thematic proceedings I, 374-389.
15. Škorić, S., Jovanović, V. (2018). Trends in engagement of workers in tourism – registered and employment (persons in employment), *Intrenational Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, Thematic proceedings I, 603-621.
16. Vukić, M., Vukić, M. (2018). Connection of tourism companies with the development of dual system in higher education. *Intrenational Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, Thematic proceedings I, 622-639.

SUSTAINABLE ECONOMIC DEVELOPMENT OF TOURISM IN THE REPUBLIC OF SERBIA

Mihailo Ćurčić¹; Branislav Živković²

Abstract

Taking into consideration the current practice of tourism development policy in the Republic of Serbia, with a lot of room for progress, potential tertiary sector projects and action plans should include the use of comparative advantages and initiatives for the restoration, development and promotion of tourism, through the preservation of cultural heritage, investment in priority touristic sites, promotion of quality, autochthonous, organic products, as well as promotion of the specificity of rural areas.

Tourism is one of the fastest growing tourism industry branches, and most countries are trying to integrate them into their development policies as a means of economic diversification, employment growth, urban regeneration and an increase in social well-being.

The market maturity of tourist destinations is taking place in an ever more complex and competitive environment. Tourist destinations, both those in the development phase and those wishing to achieve, re-gain or retain an advantage over competition, must be provided with a variety of instruments and functional methods, to assess the real situation and to create future scenarios. In this sense, the positioning strategy completely defines a new, multidimensional approach to a competitive game.

Key Words: *touristic market, touristic destination, international environment*

JEL classification: Z30, Z32

¹ Mihailo Ćurčić, M.A, Teaching assistant, Military Academy, Public Finance Department, University of Defence, Pavla Jurišića Šturma street no. 33, 11000 Belgrade, Phone: +381 65 400 90 49, e-mail: curcicmihailo@gmail.com

² Branislav Živković, Ph.D., Poštanska štedionica Bank, Branch Office Požarevac – Expansion of Žagubica, Trg Jovana Šerebanovića street no. 5, 12320 Žagubica, Phone: +381 62 807 15 10, e-mail: mrbane71@gmail.com

Introduction

It is well known that the economic system cannot function isolated from a social, political, ecological and institutional system. The economic system is multidimensional system as a part of the social system that with its various instruments influences the realization of complex development goals. (Durkalić & Ćurčić, 2019)

The high level of indebtedness of the domestic real sector in the past period and the well-stated problem of illiquidity, along with the problems with the collection of placements, caused a rather modest growth in credit and a lack of investment activities in the real sector. (Jelić & Ćurčić, 2014)

Accepting the listed trends as truly relevant to the tourism industry, the need for more detailed analysis is imminent. "How to finance the budget deficit" question is important and it consists of existing restrictions with a constantly higher demand for it. The use of a "budget deficit" in the macroeconomics of a country must be in coordination with the use of other fiscal policy instruments, where emphasis is often put on the harmonization of monetary and fiscal policy. By combining the instruments of these policies, there is the fight against unemployment with the tendency of growth. (Ćurčić, 2016)

Modern tourism marketing sources point to numerous and varied changes, tendencies and trends in the field of tourist demand, which have significant reputations on the behavior of different subjects of the tourist destination. With their influence, the mentioned changes and trends require constant adjustment of the scope and structure of their tourist offer from tourist destinations. This offer can no longer attract tourists with its traditional or stereotypical elements, but must constantly be enriched with new contents in order to satisfy all the more demanding wishes and demands of modern tourists. According to Živković (2017) tourism in rural regions today is primarily an activity additional to agriculture due to unemployment and faster realization of agricultural products produced in hosts' households. The development of rural tourism is especially favoured by measures undertaken by the state in this direction over the last decade. Thus, the Tourism Development Strategy of the Republic of Serbia identifies rural tourism as equally important as other primary branches in which the tourist offer of Serbia should be developed. (Živković & Maksimović, 2018)

This paper draws attention to the narrow touristic market and other accompanying changes that lead to the evolution of competitiveness. Success will only have those tourist destinations that accept the importance of current trends on the side of tourism demand. The leading role in the strategic management of tourist destinations in the future will have the following key areas:

- consumer changes
- electronic revolution
- attractions' protection measures
- health and safety.

The political-economic models enable analysis of the interdependence of politics and economics with the center of executive power as the holder of economic and political power. Executive power is trying to maximize their own benefit taking into account their own re-election and benefits voters. This behavior can be described as relations functions of government that depends on the variables: unemployment, inflation, income growth, and the use of economic policy instruments, including budget expenditures. In this regard, the financing of agriculture as the primary economic activity in each country, occupies an important place in the route that leads to the rating of the executive branch (Milojević & Ćurčić, 2017).

Consumer changes

Tourism industry has for decades recorded continuous expansion and growth. The next two decades can expect further positive growth. According to World Tourism Organization (UNWTO) estimates, tourism is the second largest industry in the world, which has for many years recorded constant positive growth, and participates in world GDP with 9.8% (7.2 billion USD). The share of tourism in world exports of goods and services amounts to 7% (1.5 trillion USD), while in many developing countries tourism is ranked as the main export sector. At the same time, it employs about 284 million people, i.e. 1 out of 11 jobs is in the tourism sector. That tourism is on the rise around the world is seen in the change from 25 million tourists in 1950 to 1186 million tourists in 2015 (UNWTO, 2018) Tourism sector will grow by 3.3% annually in the future (2010-2030), and the average annual growth rate of tourism consumption will be around 11%. This projected growth rate for the period of 2010-2030 represents an increase of about 43 million international tourist arrivals on average annually. By comparison, to indicate that this is a

positive growth trend, it should be emphasized that the average increase in international tourist arrivals amounted to about 28 million annually in the period 1995-2010. Europe, one of the most visited regions in the world, in the future will represent the most important place in the world tourism with a share of 41% in the total number of arrivals of international tourists (UNWTO, 2013). Serbia, although in the center of the growing tourism market, according to the Travel and Tourism Competitiveness Index (TTCI), is ranked 95th out of 136 countries in the world in 2018, while in Europe it is in an unenviable 35th place, pointing to the low level of competitiveness of our country for tourists worldwide (WEF, 2018).

Competitiveness of the tourism sector of the Republic of Serbia and its recognition among foreign tourists on the world destination map is closely related to the development and application of modern technology in tourism. There is a need to follow the trends in the constantly changing tourism industry, and to understand tourists' demands better and more clearly. Innovation and application of advanced technology are not only a factor of competitiveness, but also a factor of survival, growth, and development on an extremely turbulent tourism market. The subject of this paper is a look at the implications of contemporary technology for the tourism sector of the Republic of Serbia and the ways in which it contributes to increasing competitiveness. Using the methodology of the World Economic Forum, i.e. Travel and Tourism Competitiveness Index, the aim of the paper is to examine the degree of contribution of ICT readiness pillar to the competitiveness of the tourism sector in the Republic of Serbia (Ilić & Nikolić, 2018).

Consumers define the demand in the tourism market in a quantitative sense and thus decisively affect the business opportunities of the tourist destination.

In the past few years intensive changes in demographic, economic, psychographic and other characteristics of tourists have been recorded. All the changes have had and still have a major impact on the behavior of tourists. Changes in tourist demand on the one side, inevitably, require changes in tourist offer on the other side. Consequently, the modern competitive conditions in the tourist market have changed significantly. Numerous analyses and researches indicate very significant demographic changes of consumers. The change in the age structure, together with the slowdown in population growth, is the most visible demographic change. The significance of the mentioned trend for the development of tourism

can be seen in the example of the Third Life. It is reflected, above all, in the increase in the part of the population older than 65 years. This fact should be accepted as a real state and as a warning that the changes that such a trend of general aging of the population will have serious repercussions on the development of world tourism.

The third-century population with its many heterogeneous features warned tourism researchers that this is not a completely homogeneous part of tourist demand, but a layered section that distinguishes many important characteristics in different market types and in tourism. The global characteristics of this large element show that it:

- is about a tourist that has basically kept individual tourist habits that individuals gained in earlier years of life,
- is mostly tourist still active unit,
- is about someone who travels at least once a year,
- shows more prominent tendencies towards cultural and ecological content, and then to the so-called tourist destinations (products),
- can travel throughout the year, that is, it does not determine the tourist season, it can be said that the other periods of the year may be more attractive than the period known as the "peak of the tourist season"
- is well acquainted with tourist travel and their organization, which has seen a lot of tourist videos and traveled,
- is more oriented towards the value for money; it's not a matter of saving at all costs, but about knowing things and the need to spend money without any reason,
- partly requires a special design of the supply facilities and their equipment in order to avoid possible difficulties in their use,
- seeks greater comfort than usually required by other age groups of tourists.

The number of third-year tourists requires special attention that has not yet added to any kind of tourism demand in the current development of tourism in the world.

In support of this claim, it is necessary to include organizing of joint tourist trips of elderly people, a section of tourist guides for this type of tourist demand, especially furnishing of tourist facilities that are partly or even exclusively intended for tourists of the elderly. It is important to take into account the easy access to the offer, the elevators for all the floors of the buildings where their presence is expected, the always-controlled

indoor temperature, the special types of menu tailored to the different health situations of some elderly people, the obligatory luggage carrier service (not only in hotels, but also at airports, railway stations and ports), organizing an enhanced health care service, etc.

Environmentally conscious consumers are looking for well-preserved natural and social resources, and the motives are increasingly found in the field of adventure, health, culture, education, etc. The creativity of the holiday, spontaneity and individual experience are affirmed, and the scheme of mass tourism is increasingly avoided, which best presents the concept of hotel-beach and the concept of full board. Authentic guest experiences are associated with local ambience and enthusiasm in the original but professionally refined atmosphere of the destination. The value for money becomes a general prerequisite for subjective satisfaction. The trend of an active holiday of full entertainment, sports, recreation is one of the important characteristics of tourist demand. Therefore, consumers in front of the tourist destination impose requirements for content and qualitatively richer products.

Changes in the character and structure of tourist demand can be viewed as a reaction to everyday life, that is, put into an "anti-relationship" towards everyday life and what tourists would like, citing the elements for creating a modern tourist product.

Table 1: *Tourist demand in the structure changes*

The desire of tourists as a reaction to everyday life	The desire of the tourists in accordance with modern times
Live in the countryside	Live with someone, but separately
Return to nature; Get closer to people	Feel somebody's attention; Avoid pressure
Be in good shape	Everything is possible
Rejoice	Having fun

Source: *Čavlek, 1998: 208*

The above-mentioned changes have been recorded in world tourism for a long time. The observed trends of a long-term nature can be represented by the following illustration:

Table 2: *Tourist demand in the structure changes*

Before	Nowadays
Development encouraging of tourism infrastructure policy	Destination policy and branding
Mass marketing	Focused and aggressive marketing to specific market parts
Rigid price policy	Flexible price policy
Short-term planning in tourism	Long-term planning in tourism

Source: *Hendija, 2002: 90*

Respecting the individual demands of consumers, the tourist destinations invest a lot of efforts, trying to ensure that market offers the product to suit their desires and expectations. It is the implementation of the new development strategy, so-called "target marketing", which implies that tourism destinations are developing products and the overall marketing mix towards a specifically selected consumer demands in the market.

Moving towards the individualized life of consumers is intensifying every day all over the world and becoming a real challenge for tourist destinations, which precisely compete in creating specific offers. It is clear that tourist destinations will systematically and continuously monitor the behavior of consumers in the market, their interests and holiday vacation motives, and by adjusting their offer to the market, contribute to the development and continuous expansion of new demands in the market.

Ever since it began to develop in Serbia, rural tourism has gone through two phases. The first one can be named independent establishing and second phase can be named dedicated development. The intensity, dynamics and character of the previous development were conditioned by a large number of factors (eg. the geographical location of the area, anthropogenic heritage, the degree of socio-economic development, the awareness of the local population about the importance that rural tourism has for the overall economic and socio-economic development of the rural area, etc.) What appears as a need is the formation of a unified database of accommodation facilities of rural tourism at the national level. "The Association of rural tourism in Serbia" has the most complete database of accommodation facilities of rural tourism so far.

However, the problem is that it does not include all accommodation capacities of rural tourism and the owners of accommodation capacities do not have the obligation to be registered in such a database. Hence, monitoring of the intensity, dynamics and character of rural tourism development has been hampered. The geographical diversity of the Republic of Serbia provides the basis for further planning and actions in the development of rural tourism. In order to enter into the next phase of complex development of rural tourism, it is essential that the destination management of rural tourism is gaining importance at all levels from the local (mini rural tourist destination) to the regional and national level (macro rural tourist destination). In second case, entire rural areas are regarded as potential rural tourist destinations. (Vuković, 2017)

Electronic revolution

Information technology, information systems and their application within business systems are experiencing strong progress, and their contribution to the development of business systems is reflected in the following areas:

- changed understanding of the dimensions of time and space in modern business; thanks to modern information technology, the distance in the business world, as well as time, are no longer limiting factors;
- the possibility of using new types of data (multimedia objects), as well as the quality of existing textual professional data in enterprises is enormous and constantly increasing. The focus of activities in information systems is increasingly moving towards creating aggregated, high quality information tailored to different user categories - from operatives to high management;
- the acquisition of Web technology and the Internet as a global media for accessing and exchanging data makes this information available to users in any part of the world;
- large systems give priority to business to partners who have adopted standards for electronic data exchange (EDIFACT).

The possibility of continuing positive developments in this area is conditioned by the foundation of set standards. This will contribute to the conviction of information technology users that its application is a long-term reduction in operating costs and acceleration of business processes, which is directly related to increasing the profitability of firms and their competitive presence on the market.

Information and telecommunication technology are the basis of a modern and efficient economy and business communication in international terms.

Hotel management is a very intensive field in business practice, which relies heavily on the application of information technology.

The diversification of hotel services, the expansion of the market dimension, the confrontation with increasing competition in the hotel services market, the increased level of the demands of hotel consumers - condition the management of a continuous innovation policy in the field of information technology by international hotel chains, in order to better respond to the stated requirements. Information technology can be found in almost all business branches and work tasks of international hotel chains.

Modern forms of information technology application in the operations of international hotel chains include the following activities:

- reservations,
- e-mail,
- video-disc system,
- video-service,
- phone management system and invoicing,
- electronic keys,
- terminals in guest rooms,
- automatic checkout,
- teleconferencing,
- internet and its services, and more.

Attraction protection measures

Sustainability is a key word in tourism, given that the quality of destinations that are sought and visited by tourists is one of the determining motivations for tourism.

The issues of ecology in a given context are very diverse and complex. Among them are, among others, the following: concern for the burden of physical infrastructure, water and energy consumption, environmental maintenance, demand management in destinations with limited capacities, historical and cultural monuments, the change of planned programs for the adoption of certain laws that want to prevent the destruction of the nature and the environment that tourists want to visit.

In these global issues tourism has a dual role. As a positive side we can state that tourism is a potential source of income, which can be used for conservation. Most often, fees are levied for access to places that tourists want to visit, leading to a significant source of income which is often the only source of money for conservation in poor countries, where governments have far more urgent priorities.

According to Hendija (2002) regular promotion of tourist destinations offering ecologically pure potentials clearly implies that many other destinations do not offer this kind of quality, and that to some extent tourism has the role of polluters of nature. The development of tourism in today's conditions of functioning is highly dependent on ecology, its attitudes, planning and politics. It is necessary to place the tourism development into ecologically funded parameters, that is, in the development of a tourism development plan, respect and include the needs arising as a result of the functioning of the natural system. The next step concerns the need for tourism to develop many of its forms and species, so as not to be proclaimed as the cause of environmental pollutants, of any kind in receptive tourist areas.

Tourism among the first industries has accepted responsibility and has been involved in its programs in the protection of natural resources and the environment. Today, there is almost no country without a specific planning document on the status of the environment and its protection, related to the impact of tourism or independently of that. Global proposals in this regard, adopted at conferences held in Stockholm and Vancouver, are in the programs and plans for the development of countries, regions or localities. The subject of scientific research, initiated by ecology projects, becomes mountain areas, water resources (sea, rivers, lakes) and ways of their use. The contents of various projects and development programs include very often and care about the flora and fauna of certain resources.

Another burning issue is the EU, which reads: how to reconcile the goals of faster economic growth with demanding, ecological standards, which the public poses. Therefore, the tendency is increasingly focused on the tertiary sector - tourism, which is conditioned by a clean, ecological environment and protected natural zones. This is becoming more and more a kind of EU obsession, leading to increased demand for such resources, which offer highly sought after attractions for ecological destinations, a natural ecological environment and increasingly demanded, ecological way of food produced. All of the above is very

beneficial to the health of people and their working abilities. This has contributed to the fact that ecology becomes a planned part of the long-term development policy of economic and tourism development in most EU countries.

Health and safety

Medical tourism, as synonymous concepts of a patient, clinic, tourism and health, describes the movement of patients in countries outside their place of permanent residence for the purpose of using medical or health services. The reasons for the existence of medical tourism are multiple and mutually optimally intertwining, thus creating a comprehensive package of necessary medical and tourist factors, an optimal price and service relationship.

According to Ignjtijević, et al. (2017) there are many factors that positively influence the decision of tourists to visit Serbia. The kindness and hospitality of citizens, good atmosphere, sights, cultures, green areas, rivers, traditional food and drinks - among the main tourist trumps of Serbia, show the results of the survey of tourists, done by the Institute for informatics and statistics with the Tourist Organization of the city. Research on the extent to which internal and external factors influence the decision of patients to travel abroad for the purpose of obtaining adequate medical treatment was carried out through the survey method. The sample included respondents who were found prior to the interviews that they were foreign citizens and that they used medical services in Serbia. On the basis of the research, the following can be concluded:

- two thirds of the respondents, in addition to medical services, came to Serbia to visit a friend or relatives;
- also two thirds of the respondents opted for medical services in Serbia at the recommendation of friends and relatives, while the rest was decided on the basis of information from the internet;
- all the factors from the domain of medical services (the price of medical services, the training of doctors, the technical equipment of the clinic, etc.) greatly influence the decision patient,
- factors from the domain of hotel services (accommodation, food and beverage costs, knowledge of English language staff in hotel accommodation, etc.) had a lesser influence on the decision of the patient in relation to the factors from the domain of medical services,
- factors from the domain of other services (general costs of the overall medical tourism arrangement, availability of local transport, use of

English language by educated translators) also influence the decision of the patient as well as the factors from the domain of hotel services, but to a lesser extent in relation to the factors from the domain medical services.

Modern tourism, transforming the last decades into a global phenomenon, simultaneously faced with the globalized problem of security and the protection of its participants. It is about the most dangerous dangers, ie. the risks of traveling and accommodating guests in destinations, some of which have become extremely vulnerable, and therefore undesirable in tourism.

Although the relationship between health and tourism is basically a positive sign, many differences appear that show this relationship in a different light. Health in tourism has both different meaning and content today. It becomes a concern for the protection of the health of those who go on a trip. At the same time, it becomes a concern for the health of those who provide tourist services. It is particularly important to draw attention to the need to take care of the health of the tourists, which is especially taken into account by the World Health Organization (WHO), and recently by the World Tourism Organization (WTO). The protection of the health of tourists is understood in several ways: as a personal care of tourists for their own health, as a concern that tourism construction is in line with health criteria, as protection against aerodynamic and various forms of ecological pollution caused by tourism, among which the main concern is healthy food, implementation of preventive measures in the field of health, when it comes to personnel employed in tourism.

Tourist health prevention, today, is a well-known term in all tourist countries of the world, especially in the emitting countries. Still, although the good results of the protection of tourists are achieved by vaccination actions when it comes to diseases that are spread in certain areas, prior to the mentioned trip, all are undertaken without the adequate measures of the health care of tourists. The emergence of large-scale diseases in some regions has developed in rigorous health care of potential tourists in tourist-emitting countries: issuing special health cards in which the health condition of tourists is announced, and in particular, they have received a cardboard for the necessary vaccinations for certain infectious diseases. Although such protection is the result of the need to protect the native population of emitting countries from the possible transmission of diseases or infections, it is a kind of system for receptive tourism

countries in terms of upcoming tourism development, which will directly depend on health conditions. Health statistics nevertheless show far more effective action to protect the health of tourists taking place in the receptive tourist area. Of course, these are different methods of protection in which the central facility is no longer the tourist itself, but the local population and general health conditions in receptive, tourist countries.

Spreading tourism in every corner of the Earth's globe requires strictly rigorous measures of health care in receptive countries, which also includes general knowledge and knowledge about health and health care among local residents of receptive tourist areas. It is important to emphasize that in this context, the population cannot be educated exclusively through medical institutions, but the level of its medical knowledge is in synthesis with the general knowledge and education that the local population has on the life of resource allocation. This is also the area of the most effective fight against diseases in tourism. The fact is that in the world there are occasional infectious diseases that require long-term medication but without major results, such as AIDS, SARS. In the nature of things, tourism cannot be deprived of such problems, but it also represents one of the instigators in the initiative of actively fighting against them.

Today, one of the most prominent areas in terms of health and tourism relations is the issue of nutrition, or more precisely healthy nutrition. This economic activity includes within its jurisdiction the issue of healthy food, as well as the issue of potential food infections characteristic of a particular area or particular people, tourists with different diets if the diet are inadequately well tolerated or in some cases not tolerated at all.

According to health statistics, about 60% of foodborne illness arises from inadequate handling of food products and the consumption of such contaminated food. With the increase in purchasing power of consumers, consumer spending will continuously require an increase in food safety standards. HACCP (Hazard Analysis and Critical Control Point) just provides these standards through consumer safety, increased satisfaction, cost savings, protection of the reputation of the manufacturer / supplier (hotel, restaurant, airline, etc.) and insurance of profits.

According to Čavlek (1998) HACCP as a preventive system of principles and methodology ensures the production and marketing of healthy food, so that it is safe from chemical, biological and physical risks.

Implementation of the production of safe food in accordance with current trends in the world aims to ensure that the quality of the food and prepared foods used (safety, hygiene, extended shelf life, greater range, modern packaging, etc.) is the key to ensuring the principle of exchange of value for money, satisfaction and complete consumer safety. The concern for the health of tourists has now become a concern for attracting tourists. It is becoming an increasingly powerful marketing argument and the content of promotional messages in the field of tourism. Safety aspects and modern ways of protecting consumers in tourism include components from sociological-psychological, physical-technical, fire and sanitary-hygienic, to insurance, i.e. possibilities of prevention and repair of damage.

Without taking into account the standard and personal affinities, when making decisions about purchasing a tourist arrangement, tourists place the safety of the destination first, then the safety of the trip itself, and then follow the attractiveness of the locality, prices and other details. Accordingly, tour operators changed the priorities in the criteria for composing the offer: first, the safety of certain locations and catering facilities is examined in the field, and then the other parameters in relation to the given standards. The physical and material safety of consumers has always been one of the key criteria for the quality of the tourist offer, but has become a tourist "be or not to be" in the last few years. The problems of safety in tourism are determined by the conditions in which the tourist activity takes place, the characteristics of all participants in the tourist activity, their mutual relations, as well as the activity of individuals and institutions.

Hotel facilities, and other types of accommodation, pay considerable attention and other forms of visitor safety to the visitor for many years. This concern becomes part of the content of promotional messages as it increases the motivation for the arrival of tourists. The hotel employs professionals working in the insurance of guests. Special equipment and specialized insurance personnel are now part of the hotel standard in a large number of tourist-developed countries. All this is within the scope of the bid of the subject of the tourist offer, not only to create conditions for greater security, but also to encourage the external manifestation of the guests' conviction that maximum security conditions have been created in such a facility. Security in the accommodation facility is certainly not a matter of hotel management. It is the question and

obligation of all business partners who participate in the organization of a specific travel trip.

The safety of tourists needs to be provided not only in accommodation and other types of tourist facilities, but also in the whole created and closed space, where the stay of tourists is envisaged. The highly evident problems that today are encountered in all the world's tourist countries regarding security have urged the World Tourism Organization to appeal to the world public condemning all kinds of violence against tourists, and expressing its commitment to a permanent and coordinated action to establish as much safety as possible for tourists, during the realization of the trip itself and staying in tourist areas. In accordance with the above, it insists on quality and educated staff in tourism, so that they themselves can protect the safety of tourists, but also on the installation of better quality security equipment. The World Tourism Organization advocates the development of appropriate legal regulations to ensure that the insurance of tourists becomes the obligation of every subject of the tourist offer.

Conclusion

The market maturity of tourist destinations is taking place in an ever more complex and competitive environment. For this reason, tourist destinations, and those wishing to become one, to win again or maintain an advantage over competition, must be provided with a variety of instruments and functional methods for objectively looking at the real situation and creating future scenarios. In this sense, the positioning strategy completely defines a new, multidimensional approach to a competitive game.

Positioning strategy is the way in which a tourist destination plans to take the desired market position. It is, therefore, the perspective and vision of what is to be achieved, but also the direction of moving towards the position that the destination wants to achieve. In practice, the positioning strategy evolves over time since it includes the current situation. It starts with a perspective, taking goals and positioning, and in order to implement it, it must be approached with careful planning of the plan and system of activities, as well as the resources available. Over time, situations are changing. Features of strategic decisions and actions indicate the quality of the movement from start to desired position. If a

tourist destination has serious intentions in the future, a positioning strategy is necessary, especially today in times of global competition.

In modern business conditions, each destination must quickly find its position and exploit its comparative advantages, in order to successfully cooperate or compete with other destinations. The strategy of positioning the tourist destination identifies the vision and determines the paths of its own growth and development in the conditions of globalization. Their success in the international tourism market depends on the ability to demonstrate the specific competitive advantages of natural, economic and cultural values. It characterizes its position in relation to others, and as a form of self-confidence of the tourist destination in its own potentials and expresses its intention to build on its own innovative forces. Attracting new energies and capital also means opening, of course, and intelligently activating international networks and resources. This certainly implies efficient organization, cooperation of various stakeholders and inclusion of the population, and ultimately continuous monitoring and audit.

References

1. Čavlek N. (1998). *Turoperator i svjetski turizam*, Golden Marketing, Zagreb.
2. Ćurčić, M. (2016). Budžetski deficit Republike Srbije. *Oditor - časopis za Menadžment, finansije i pravo*, Vol. 2, No. 2, 51-58.
3. Durkalić, D., Ćurčić, M. (2019). *Measuring economic sustainability: the case of Danube Region*. Institute of Agriculture Economics: Sustainable agriculture and rural development in terms of the Republic of Serbia strategic goals realization within the Danube region, 175-192.
4. Hendija Z. (2002). *Promene u savremenom društvu*, Turizam br. 1, Institut za turizam, Zagreb.
5. Ignjatijević, S., Čavlin, M., Vapa-Tankosić, J. (2017). Međunarodna pozicija Srbije kao destinacije za medicinski turizam. *Vojno delo*, Vol. 69, No. 8, 369-378.
6. Ilić, I., Nikolić, A. (2018). Implikacije razvoja savremenih tehnologija na sektor turizma Republike Srbije. *Ekonomika*, Vol. 64, No. 1, 37-52.

7. Jelić, J., Ćurčić, M. (2014) *Revitalizacija sela kao bitan činilac ekonomskog razvoja Republike Srbije. Inovacije u funkciji privrede*, Univerzitet Privredna akademija u Novom Sadu; Fakultet za primenjeni menadžment, ekonomiju i finansije u Beogradu, -1, 1, 1, pp. 239 - 247, 978-86-84531-17-1, 001.895(082)(0.034.2), Srbija.
8. Milojević, I., Ćurčić, M. (2017). *Role of the Budget in Financing of Agriculture*. Institute of Agriculture Economics: Sustainable agriculture and rural development in terms of the Republic of Serbia strategic goals realization within the Danube region, 360-373.
9. Vuković, P. (2017). Karakter i dinamika razvoja ruralnog turizma u Republici Srbiji. *Ekonomika*, Vol. 63, No. 4, 53-60.
10. World Economic Forum - WEF (2018). The Travel and Tourism Competitiveness Report, Geneva, Switzerland.
11. World Tourism Organization (UNWTO) (2013) Tourism Towards 2030 / Global Overview.
12. World Tourism Organization (UNWTO) (2018) UNWTO Tourism Highlights 2018 Edition.
13. Živković, B. (2017). Hunting Tourism For Development Of Rural Regions Of Serbia. *2nd International Scientific Conference 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*, Vrnjačka Banja, Serbia, 01-03. June, 2017, 309-326.
14. Živković, B., Maksimović, G. (2018) Strategic Management of Rural Tourism Development. *3rd International Scientific Conference Tourism in function of development of the Republic of Serbia- Tourism in the Era of Digital Transformation*, Vrnjačka Banja, Serbia, 31 May-2 June, 2018, 556-574.

EDUCATIONAL TOURISM FOR THE SUSTAINABLE DEVELOPMENT OF SERBIA

Dobriła Lukić¹; Slađana Anđelković²;

Abstract

The main goal of this paper is to emphasize the importance, types and potentials of educational tourism for the sustainable development of Serbia. We will start from the concept of sustainable development, and continue by looking at the educational tourism concept holistically, as a tool to improve the quality of education, to strengthen the connection with the local community, to develop all children's potential and to get them to learn and know more about their local community and be more involved, thus emphasizing the concept of an active citizen who takes responsibility for personal and social growth and development. The results we obtained after studying this issue have pointed to the need to develop educational programs for various tourist destinations, to improve accommodation, work methods and techniques, and to provide better training for the tourist guides in order for them to be able to practice different types of educational tourism. The importance of educational tourism for the sustainable development of tourism in Serbia needs to be supported and promoted through various promotions, actions, projects and the exchange of good practices.

Key Words: *educational tourism, sustainable development, sustainable tourism, Serbia*

JEL classification: *I25, Z32*

Introduction

We are faced with the new demands of the modern society due to the rapid changes in technology, industry, information technology, as well as the demands imposed on the society and individuals as a result of the

¹ Dobriła Lukić, scientific associate, Eight Belgrade Grammar School, Grcica Milenka 71, Belgrade, Serbia, 0637338955, dobrikladjerdap@gmail.com

² Slađana Anđelković, full professor Faculty of Geography, University of Belgrade, Studentski trg 3/III, Belgrade, Serbia, slandjelkovic@gef.bg.ac.rs

concept of sustainability having been introduced to all aspects of life. Education has become a tool which enables the overall development of personality, the participation in social life and active participation in sustainable development (*UNESCO: Sustainable development begins with education, 2015*). In order to understand the global issues and problems related to sustainable development, it is necessary to develop an active relationship between the students and their local environment and problems related to it (socio-ecological, cultural and active civic relationships). This is the right way to develop views, opinions and trigger actions with regards to the global environment (Sobel, 2004). Comprehending, understanding and taking part in solving local environmental, educational, and cultural problems allow for a better understanding of the community sustainable development, which is a prerequisite for proper understanding and solving global issues related to sustainable development. Therefore, it is important that the educational process is improved by introducing teaching strategies based on the principles of sustainable development in order to develop an active personality in children for them to be the initiators of change in a society.

In order to improve the quality of education, which contains important goals such as learning for life and preparing students for various social and life roles, there has to be a connection and a link between teaching contents and actual life context (Anđelković & Stanisavljević Petrović, 2013). Encouraging children and youth to be willing to acquire knowledge, skills and attitudes outside formal educational institutions, in nature and in a given society is a new educational paradigm which is based on the concept of sustainable development, where educational tourism becomes important and relevant. Natural environment, localities in urban and rural areas, cultural and historical sites, etc. become not only tourist destinations but also open-air classrooms (Anđelković, 2018). Therefore, this paper wishes to emphasize how important educational tourism is for formal and informal education and for the development of skills necessary for lifelong learning and for living in a society characterized by rapid changes, migration, cultural diversity, environmental issues.

The needs of a modern tourist are changing in qualitative and quantitative terms, they have long ceased being traditional, meaning that tourists are becoming a sort of tourist-student mix and actively participate in the process of gaining knowledge, experience, values and views at the tourist attraction itself through a direct contact with objects of knowledge. On

the map of tourist movements in Serbia, during the previous decades, there has been a steady increase in tourist travel of students at all levels of education. The map of tourist visits in Serbia during the past several decades shows a steady increase in student tourist tours at all levels of education. However, it is evident that there is not enough adequate activities at these tourist destinations. These trips mostly focus on recreation and entertainment, while the educational aspect of the trip is neglected. Serbia is rich in nature, culture and history and these should be used as sources, means and goals of educational trips and educational tourism. Insufficient utilization of tourism capacities, lack of or inadequate educational programs at a tourist attraction, insufficient knowledge of educational strategies and of teaching methods in the field are some of the reasons why we decided to study this topic.

Concept of sustainable development and sustainable development of tourism

The concept of sustainable development was adopted by the UN General Assembly in 1987. "Humanity stands at a defining moment in history. We are confronted with a perpetuation of disparities between and within nations, a worsening of poverty, hunger, ill health and illiteracy, and the continuing deterioration of the ecosystems on which we depend for our well-being (*Agenda 21 - Preamble*). This preamble clearly states that sustainability issues have been identified, however many major obstacles stand in the way of solving these problems, and we can say that these obstacles have become more serious in recent decades.

The United Nations Conference on the Human Environment (Stockholm 1972) triggered the United Nations Environment Programme (UNEP) to be established, which among other things contributed to an increase in the level of recognition and acceptance of the importance of environmental protection. The ecological concept has slowly grown into a broader concept called sustainable development. In 1987, the World Commission on Environment and Development (WCED) published the report called *Our common future*, also known as the Brundtland Report (1987), which defined sustainable development as "the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (p. 46). The United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in 1992 adopted one of the most important sustainable development declarations called *Agenda 21*, which is a global action plan

for sustainable development. The adopted Action Plan for Sustainable Development and Agenda 21 recommended that the term "environmental protection" is expanded and sustainable development term started to be used. In accordance with the main postulates of the Agenda, the definition of sustainable development was expanded and it now included the concepts of social justice and equity. The goal of sustainable development is to develop a society that will be characterized by a balanced growth that will improve the quality of people's lives by creating a balance between long-term economic development, environmental protection, social justice and equity for present and future generations (*Agenda 21*).

The concept of sustainable development is a framework for the development and promotion of sustainable tourism. The term sustainable tourism first appeared in the 1990's. Jovičić (2000) states that sustainable tourism is based on an integral and complex approach that puts equal emphasis on five components: environmental protection, social integrity, nurturing cultural identity of the local community, optimum satisfaction of tourists' needs and economic profit. Certain authors (Maksin et al., 2009) believe that any type of tourism that permanently contributes to the improvement of the environment, social welfare, economic prosperity and preservation of natural resources and man-made resources, cultural values and cultural identity of the local community is sustainable.

After analyzing the definitions of sustainable tourism, Stojanović (2006) identified the following common characteristics of sustainability:

- Sustainable tourism is a development of tourism that does not jeopardize the resources which it promotes and relies on, in order for these to remain preserved for generations to come so that these future generations can meet their tourist needs at the same or higher level;
- Sustainable tourism is a positive approach to the development of tourism, which aims to reduce tensions and disagreements which have been noticed in the course of interactions among the tourism industry, visitors, the environment and local communities. This is the approach that includes the long-term concept of natural resources and man-made resources. This is not an anti-development concept, but it rather insists on the recognition of the limited development concept;
- Sustainable development of tourism meets the needs of current tourists and tourist regions while at the same time increasing the chances of future tourists. It is a type of resource management that meets economic, social and aesthetic needs, while at the same time

supporting cultural integrity, fundamental ecological processes and biological diversity.

The sustainable tourism concept implies that negative effects of tourism on the environment and its resources are minimized while the positive effects of tourism are maximized. That is why it is necessary to identify, monitor, assess and manage the effects of tourism on the environment and its resources. Tourism can have both positive and negative effects on the economy aspect, the socio-cultural aspect and the environment aspect. The conclusion is that the essence of sustainability is in fact finding a balance between, on the one hand, the development of tourism and tourist attractions and on the other hand, the protection and preservation of the environment, its resources and the local communities. In addition to ecological, social, cultural and economic sustainability, Stojanović (2006) also adds to this list the education element, participation of local community and the principle of protection as an important difference between new forms of tourism and conventional tourism. The educational element insists on the education of tourists and other tourism participants, in order for them to better understand the consequences of their actions on the environment. Sustainable tourism is the one where the local community is fully included in tourism activities. The protection and preservation principle emphasize the need to protect both natural and cultural heritage. Therefore, the sustainable development concept can become the basis for the purposeful development of educational tourism, but only if its principles are in line with strategic planning of tourism development and if the result is strategic development goals.

Educational tourism

Since the sustainable development concept has affected all aspects of society including education, education process needs to be improved with the strategies that are based on the principles of sustainable development in order to create and develop an active personality in students who will be the initiators of change in the society. Traveling for educational purposes is not a new tourist activity, it is rather a type of tourism that is becoming more and more popular with the increase and expansion of the tourist market (Gibson, 1998). According to Rodger (1998), "Educational tourism is any activity where individuals travel to a certain location as a group with the main purpose of engaging in learning about the location they are visiting " (p. 28). Educational tourism is a tourist activity undertaken by those who are undertaking an excursion for whom

education and learning is a primary or secondary part of their trip (Goeldner, Ritchie, 2009). In the academic literature, educational tourism is regarded as a phenomenon of the integration of education and tourism by organizing tourism as an educational activity to achieve the objectives and meet the targets determined by the curriculum. It is focused on the formation and development of significant qualities of an individual that are expressed as universal, general professional, and specialized competences (Chen et al., 2008; Hoffman, 1999; McLegan, 1997 according to: Dembovska et al., 2016). The purpose of educational tourism is to recognize education and research, so schools, colleges, and historical sites are often chosen as destinations (Wang & Shen, 2008). Educational tours serve as a means of improving academic standards (Smith 2013) so that the study tour program becomes a routine agenda and a part of the school curriculum or an extracurricular activity (Wijayanti et al., 2017).

UNWTO and WYSE Travel Confederation state that "young people see travel as a form of learning, a way of meeting other people, a way of getting in touch with other cultures, a source of professional development and career development, a means of self-development, a part of their identity, and a way of personal development" (UNWTO, 2011). Table 1. shows an overview of the different concepts of educational tourism according to different sources.

Table 1: *Definition of educational tours (field trips)*

Source	Definition of a field trip
British Dictionary (2012)	An expedition, as by a group of students or research workers, to study something at first-hand.
American Heritage Dictionary of the English Language (2011)	A group excursion for the purpose of first-hand observation, as to a museum, the woods, or a historic place.
Collins English Dictionary (2014)	An expedition, as by a group of students or research workers, to study something at first-hand
Random House Kernerman Webster's College Dictionary (2010)	1. A school trip to gain first-hand knowledge away from the classroom. 2. A trip by a researcher to gather data first-hand, as to a geological, archaeological, or other site.
Cambridge Dictionaries Online (2016)	A visit made by students to study something away from their school or college.

Dictionary of Unfamiliar Words by Diagram Group (2008)	An excursion by staff and students to study at first-hand something of interest or relevance to a course.

Source: Dembovska, I., Silicka, I., Łubkina, V. (2016). *Educational tourism in the training of future tourism professionals, Proceedings of the International Scientific Conference "Society, Integration, Education"*, p. 247.

The educational tourism could become a new educational paradigm, with an emphasis on increasing the educational goals met and on creating new economic opportunities. The main motive of the participants in educational tourism is to acquire new knowledge, new skills and experiences or their further personal development. Lifelong learning, learning through fun and self-improvement are common aspects of educational tourism. Educational tourism provides an equal opportunity for all types of population and for all ages. Educational tourism takes several forms, but regardless of the major differences among them, their main common features are: to acquire knowledge, skills and views; experiential learning; direct contact with the objects of learning; educational tourism is conducted through educational programs; diversity and relevance of the local community; learning outside of formal education institutions; promoting contextual learning and location-based learning; interdisciplinary approach to the observation of phenomena, processes, locations; a pronounced intercultural dimension of learning; developing and strengthening the social connections and communication among the individuals taking the trip; possibility to learn in a different, fun way; it is suitable for all types of tourists (from preschoolers to retirees).

Based on a survey on educational tourism that 850 tourists, academics and tour operators took, Pitman et al. (2010) identified three key features of an educational tourism experience:

- The trip was intentionally educationally focused.
- The style of learning was experiential.
- The trip was structured around an educational program (p. 223).

According to Ankomah & Larson (2000), this type of tourism takes the following dimensions: cultural and historical, eco-tourism/ tourism based on nature/ rural tourism, and studying abroad. According to Bardgett (2000) educational tourism also includes several subtypes such as eco-tourism, rural tourism, traditional tourism/ heritage and student exchange

between universities and educational institutions. According to Hayes & MacLeod (2008) by its definition, educational tourism contains various activities, including student exchange programs, academic staff exchange, educational tours, school workshops and trips, study and work tours, short courses, language and skill development courses, conferences and seminars, academic meetings, programs for continuing adult education, winter and summer schools, training, internship, sports and coaching seminars, cultural and historical tours.

The authors Ankomah & Larson, (2000) indicate that educational tourism is a wide term that covers a variety of formats including school trips, spring break trip experiences, studying abroad experiences, seminar vacations and knowing professional people, skill enrichment vacations and enlightening trips. Very often the purpose of this type of travel is education, scholarships to study abroad, tourist camps, field trips, language schools, training in certain fields such as: medicine, law, management, tourism or interest categories such as: fashion, design, art, theater, dance, etc. (Demeter, Bratucu, 2014). It also includes summer schools and themed camps that are organized both at national and international level (Obenour, et al., 2006).

It happens very often that sites of historical or natural importance are an important part of educational tourism, which does not mean that other locations are ignored. For example: a rural school as a center of educational tourism; a local rural household as a source of learning; studying crafts specific to a certain region; scientific institution as a learning laboratory; historic sites containing educational programs for different types of visitors; learning different sports skills and survival skills at the local practice field and outdoors; inclusion of the local population in education programs, etc.

Demographic, socioeconomic, geographical and educational factors affect the diversity and outcomes of educational tourism. For example: age, gender, origin, occupation, income, level of education or religious affiliation are demographic factors that determine the type of educational tourism. The state of economy in certain regions, the educational value of the site, the interdisciplinary potential of the site, road networks, the distance from large cities, the interest of the local population and the institutions to participate in this type of tourism are some of the conditions that determine the choice of the theme and strategy for educational tourism.

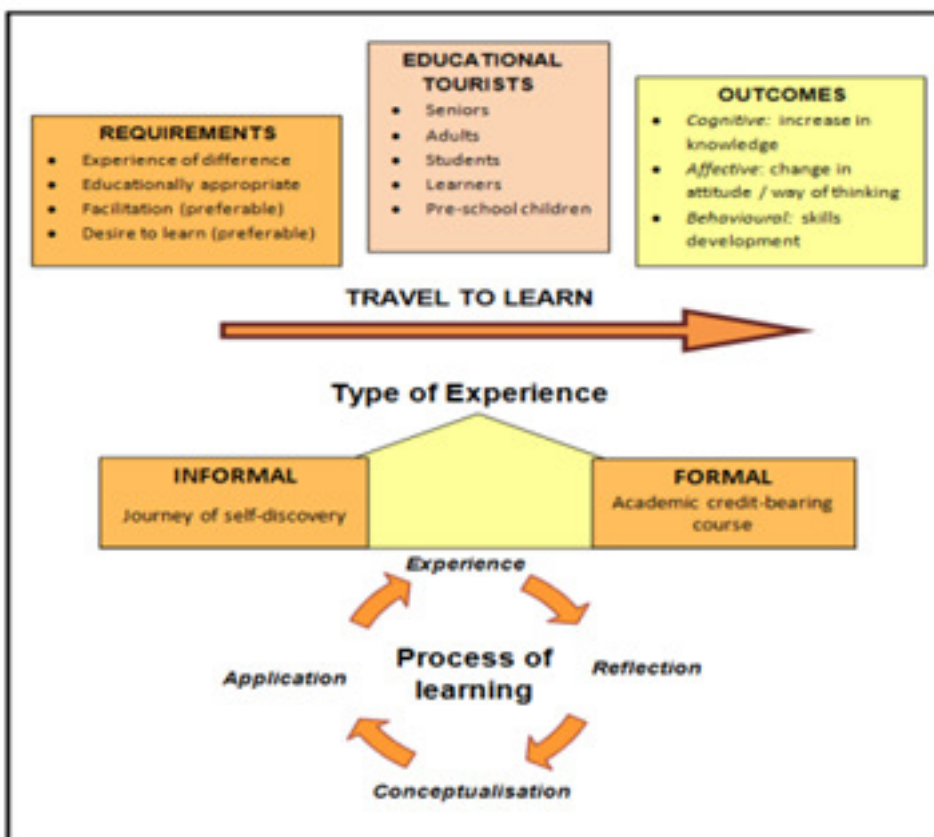
Apart from its use of natural, cultural and historical sites potential, educational tourism is particularly valuable for building the connection between tourists and the local population (Lanegran, 2005). Therefore, this interaction between tourists and the local population could result in intercultural communication (Delamere & Hinch, 1994 according to: Besculides et al., 2002). Cultural communication or cultural exchange is a concept that allows individuals and communities to meet and communicate with other people from different countries. Educational tourism can also improve cultural integration and should be seen as a tool to fight against xenophobia, ethnocentrism and cultural misunderstandings. The author Aho (2001) developed four core elements of the tourism experience, including emotional experience, learning, practical experience, and transformational experience.

Nowadays, travelers for education or educational tourists expect most tours to provide good accommodation, activities and education, along with reliable educational travel arrangements (Bodger, 1998). Therefore, educational tourism also includes educational organizations, accommodation sector, transport sector, food and beverage industry and restaurants, entertainment facilities, operas, museums, art and heritage sites, relaxation and entertainment facilities, as well as other services (Tarlow, 2005).

The impact this type of tourism has on the specific tourist attraction is measured by the number of tourist visits. Tourists who practice educational tourism also bring economic benefit to that specific site, as they are significant consumers. They are also great promoters of the destination they have visited, because due to the development of information technologies and information literacy these tourists serve as free promoters of the destination during their stay, but also after they return home by telling others about it. This kind of promotion can encourage their friends to travel to the same tourist destination. Moreover, since it is primarily young people who practice educational tourism, they tend to return to the tourist attraction they had already visited. Educational tourism also has a social impact on the tourist destination, as it promotes multiculturalism, friendship among tourists, and between tourists and the local community. Through its programs such as OBZOR, CEEPUS, ERASMUS and many other bilateral agreements, the European Union encourages the development of educational tourism. Among the many organizations, institutions and associations the Republic of Serbia which promote and practice youth tourism and educational tourism, some

of the most relevant are the following: "*Srbija za mlade*" (Eng.: Serbia for youth) and "*Mladi za turizam*" (Eng.: Youth for tourism), founded around 10 years ago, and "*Dom omladine Beograd*" (Eng.: Belgrade Youth Center) that has created and organized programs and activities for youth and worked together with young people for more than 50 years. The above-mentioned organizations promote on social media both youth tourism and educational tourism (Stevanović & Milenković, 2017).

Image 1: *Process model of educational tourism*



Source: McGladdery & Lubbe, 2017, p. 324., according to: McGladdery, 2016 p. 84.

The need to acquire knowledge from different sources beyond the classroom through experiential learning in authentic locations is the basis for the development of educational tourism. The concept of outdoor education has been present in scientific circles around the world since the second half of the 20th century. According to this concept, education can be conducted in open spaces such as the school yard, or even more remote

areas such as the swamps, forests, meadows, river coasts, lake or the sea. These locations are excellent for providing first-hand experience, since there is a direct contact with objects of learning and the interaction and socialization among the participants (Anđelković et al., 2018). The authenticity of the tourist attraction, all its natural, social, historical, cultural potentials represent the source, the means and the goal of experiential learning, both formal and informal (Anđelković et al., 2013a). Learning outcomes, as well as the educational tourism outcomes whose main postulate is learning, are the following: cognitive outcomes, affective outcomes and behavioral outcomes. In the attempt to explain the nature of educational tourism, and to present its constructive elements, the authors McGladdery & Lubbe, (2017) used the Process model of educational tourism (Image 1) to indicate its constructive elements which make it authentic and recognizable among tourists.

In authentic locations, students get the opportunity to acquire knowledge independently through interaction with the environment. The sustainable development issues are seen from multiple perspectives, which results in students developing a critical attitude towards reality and the ways to solve problems. Comprehensive and connected knowledge easily gets integrated into the existing knowledge and experience system and becomes a good basis for new knowledge and experience. A holistic approach is in line with the students' nature because they perceive reality as a whole, and the learning process affects all aspects of their development (Anđelković, 2015).

The potentials of educational tourism in the Republic of Serbia

Together with its resources, Serbia is an ideal location for the development of educational tourism. Experiencing a tourist destination and satisfying different needs has expanded into a need for learning at the destination itself. Educational tourism enables visitors to get acquainted with and to explore cultural and historical sites and information about them, customs and nature, to acquire new and expand old knowledge, to improve health, to improve the existing and develop new skills, to participate in various events, to meet new people and make new friends (Stanković & Pavlović, 2006). The geographic location of Serbia, with its specific terrain, climate, rivers, lakes, spas, plants and animals, protected areas, cultural and historical monuments are the basis for meeting its tourist potential for educational tourism.

Natural tourist resources and their attractiveness, as well as the diversity of their offer, and the fact that all these resources are linked and merged enable the development of various types of tourism, including educational tourism. These resources include geomorphological resources, climate, hydrographic resources and flora and fauna (Petrović et al., 2017). Geomorphological resources which are particularly important for the tourism in Serbia are: mountains, canyons, gorges, caves, pits and many other natural phenomena. The following mountains are especially interesting to tourists: Kopaonik, Zlatibor, Tara, Zlatar, Golija, Maljen, Fruška Gora, Stara planina, Vršачke planine etc. Each of them has its own potential for the development of educational tourism. Some of them are protected areas such as national parks Fruška gora, Tara, Kopaonik, nature park Golija, and the area of outstanding natural beauty Vršачke planine. Some of the gorges we would like to mention are: the Djerdap gorge, Ovčarsko-kablarska gorge, Sićevačka gorge, etc. The canyon of the Boljetinska river has been declared a nature reserve, while the Vratna canyon with its natural bridges and the Lazarus canyon are natural monuments. The caves which are seen as natural monuments are Resavska cave, Risovača, Potpečka cave, Stopica cave, etc. Some of the geomorphological resources which should be mentioned are Djavolja varoš (eng. Devil's Town) which is a natural monument famous for its earth pyramids or "towers with caps or heads". When it comes to the climate as a tourist resource for educational tourism, the areas with a sedative and stimulating climate are seen as the ones with potential. It is also important to study the microclimate of certain tourist destinations in order to decide what is the best time of the year for tourist visits.

There are numerous hydrographic resources. Some of the significant rivers are the Danube, Tisa, Sava, Velika Morava, Drina, Uvac, and the lakes which should be mentioned are lake Djerdap, lake Vlasina, lake Palić, the Silver Lake, Zvorničko lake, Zlatar lake. Some of the swamps and marshes which are seen as special nature reserves, and often also serve as ornithological sites are: Carska bara, Slano Kopovo, Gornje Podunavlje, Obedska bara, Zasavica, Kovilj – Petrovaradin marshes. There are also numerous spas and springs of thermo-mineral waters, suitable for hiking or trekking.

Flora and fauna in Serbia are not sufficiently valorized in tourism and are usually complementary destinations visited by tourists. Educational tourism is best promoted by visiting protected natural areas (Lukić, 2005). The above statements help us conclude that natural resources provide

many opportunities for sports activities, active holidays and education. Some of them are also equipped and suitable for congresses, seminars, conferences and other educational events.

Anthropogenic tourism resources are all those elements of material and spiritual culture that serve to meet tourist needs, and are also very attractive and promote educational tourism visits. These are: monuments, ethnographic resources, culture-specific areas, towns, museums, galleries and memorial collections, tourist programs, activities and gastronomy. Some of the oldest archaeological sites in Serbia are Lepenski Vir and Vinča, together with some sites from the ancient Rome era such as Viminacium, Sirmium, Mediana, Gamzigrad, Caričin grad (Iustiniana Prima), Singidunum, etc. Medieval monuments of religious architecture are especially important for educational tourism. These churches and monasteries were built between the 12th and the 17th century by different Serbian rulers. They were built in Raška, Serbian-Byzantine and Moravian style of religious architecture. Due to their unique importance, the UNESCO World Heritage List includes the following churches and monasteries: Studenica, Sopoćani, Đurđevi Stupovi, Dečani, Pečka patrijaršija, Gračanica, Bogorodica Ljeviška. Some of the important fortresses are: Kalemegdan, Petrovaradin, Smederevo, Golubac, Niš Fortress, Maglič etc. The sites associated with the conflicts between Serbia and Turkey that lasted for several centuries, as well as with the First and Second World War are also considered as significant monuments: Pokajnica, Čegar, Čele-kula, Oplenac, Šumarice, Kadinjača etc. Hydroelectric power plants, airports, tall buildings, streets, squares, bridges, stadiums, swimming pools, sports halls etc. can also be used as separate resources for the purposes of educational tourism.

The ethnographic resources in Serbia are also of great importance for educational tourism. These are: folk customs, folk costumes, folklore, handicraft, crafts, national holidays, culinary specialties, etc. Anthropogenic tourism resources which can benefit educational tourism are museums, galleries, memorial collections, libraries, architecture, fine arts, music and drama (Lukić, 2005). It is a general conclusion that these tourist resources are not being sufficiently utilized for the purposes of educational tourism expansion in Serbia. Most of these institutions do not have good communication with travel agencies, and their promotion activity is insufficient. Around 1000 tourist events are organized in Serbia each year. They are one of the most important factors which benefit the development of tourism in Serbia. The positive effects of tourist events

are reflected in the positive opinions of visitors about the city and the country, promotion of positive values among the youth, connecting young people from different geographical areas (Bjeljac, 2010).

The financial aspect includes the tourist resources that tourists spend money on. These resources are: accommodation and catering, roads and means of transport. According to the data from 2017, the overall number of rooms in Serbia was 44,813 and these included a total of 106,029 beds. These primarily include hotels, while hostels and other facilities that are suitable for the development of educational tourism as a type of youth tourism are found in a much lesser extent. Serbia has an underdeveloped transport infrastructure. Tourist infrastructure consists of: info centers, rest areas, shops, relaxation, education and recreation facilities for tourists. If these facilities were in a good and satisfactory condition, the tourism offer of Serbia would be more competitive on the regional and world tourism market in general, which would therefore also affect educational tourism (Petrović et al., 2017). As for the human resources, the data provided by the Statistical Office of the Republic of Serbia, there were 2,131,079 employees in total in 2018, 78,487 of which worked in the accommodation and food services sector. The increase of tourist visits and their consumption would demand more workers to be employed not only in the tourism industry, but also in complementary economic sectors related to tourism. Moreover, this would revive tourism in some parts of the country as well as increase the overall standard of living.

Conclusion

This paper has emphasized the importance and potential of educational tourism for the sustainable tourism and development of Serbia. There is no doubt that Serbia needs to develop different forms of educational tourism. There is also a great potential for the development of educational tourism, however, no specific initiatives have yet been undertaken to increase tourist visits within this type of tourism which has experienced significant growth in the last decade worldwide.

Since there are various natural and anthropogenic tourist resources, there is the need for accommodation and catering facilities, human resources, as well as traffic infrastructure and additional tourist infrastructure to be parts of the integral tourist offer. Tourist destinations put more emphasis on sports, recreation, rest, staying in nature, and less on education. Activities in the promotion and attraction of tourists, with a special

emphasis on those tourists interested in educational tourism, should be coordinated by the Tourist Organization of Serbia together with the private and public sector. Apart from adapting tourist destinations to educational tourism, it is necessary for Serbia to be seen as a destination offering educational tourism by international tourists. But the main issue is that, in its formal and informal form, educational tourism is not included in the strategies for the development of both tourism and society in general.

Even though the potentials and values of this type of tourism have been recognized, there are some issues that prevent the development of educational tourism, such as limited funding and technological support, lack of tourist and educational centers, lack of professional staff to carry out educational programs, lack of knowledge about learning opportunities outside the classroom, lack of knowledge about the educational strategies and outdoor teaching methods, insufficiently developed awareness of people about educational tourism.

The cooperation between tourism and education is not widely recognized and exploited, even though tourism can fully support the concept of outdoor education due to its offer of accommodation, food, transportation, health and safety conditions, animation, recreation and leisure time management. Educational tourism would help to fill up the available accommodation capacity with tourists, but also support building new ones. Moreover, this would ensure tourist visits and accommodation capacity would be filled throughout the year and not only during a particular season, which would result in significant economic and social benefits. The results of this study have shown that the potential and types of educational tourism in the overall tourist offer of Serbia are extensive, but they are still not sufficiently recognized and exploited.

By starting from the concept of sustainable development, we need to continue with the improvement and further development of the existing potentials and forms of educational tourism, as well as to encourage the development of new ones due to the growing social, economic, environmental, educational needs of the society and people.

Acknowledgement

This paper is a part of the project Assessment Models and Strategies for Education Quality Improvement in Serbia (179060), funded by the

Ministry of Education, Science and Technological Development of Serbia.

References

1. Anđelković, S. (2018). *Vaspitanje i obrazovanje za održivi razvoj – učenje i poučavanje van učionice*, Geografski fakultet, Univerzitet u Beogradu, Beograd.
2. Anđelković, S., Dedjanski, V., Pejić, B. (2018). Pedagogical benefits of fieldwork of the students at the Faculty of Geography in the light of the Bologna Process. *Journal of Geography in Higher Education*. Vol. 42, No. 1, 110-125.
3. Anđelković, S. (2015). Ambijentalna nastava u funkciji vaspitanja i obrazovanja za održivi razvoj. *4th Kongres srpskih geografa, "Dostignuća, aktuelnosti i izazovi geografske nauke i prakse"*, Beograd, 137-141.
4. Anđelković, S., Stanisavljević Petrović, Z. (2013). *Škola i neformalni obrazovni konteksti*, Univerzitet u Beogradu, Geografski fakultet, Beograd.
5. Anđelković, S., Stanisavljević Petrović, Z. (2013a). The School and the Environment – Challenges of the School Education, in: Despotović, Miomir, Hebib, Emina, Balazs Németh (ur.). *Contemporary Issues of Education Quality*, str. 87-100, Elektronski izvor. Beograd: Institute for Pedagogy and Andragogy, Faculty of Adult Education and HRD, Hungary, UDC.
6. Ankomah, P.K. & Larson, R.T. (2000). Education Tourism: A Strategy to Strategy to Sustainable Tourism Development in Sub-Saharan Afrika. *DPMN Bulletin*, Vol. 7, No.1, 19-24.
7. Aho, Seppo K. (2001). Towards a general theory of touristic experiences: Modelling experience process in tourism. *Tourism Review*, No. 56, 33–37.
8. Bardgett, L. (2000). *The tourism industry economic policy and statistics*. (Research paper 00/66 Economic Policy and Statistics Section) House of Commons library. Derby Gate London.

9. Besculides, A., Lee, M. E., & McCormick, P. J. (2002). Residents and Perceptions of the Cultural Benefits of Tourism. *Annals of Tourism Research*, Vol. 29, No. 2, 303-319.
10. Bjeljic Ž. (2010). *Turističke manifestacije u Srbiji (Tourists Events in Serbia)*. Special Edition, Vol. 82. SASA "Jovan Cvijic" Geographical Institute.
11. Bodger, D. (1998). Leisure, learning, and travel. *Journal of Physical Education, Recreation & Dance*, Vol. 69, No. 4, 28-31.
12. Dembovska, I., Silicka, I., Ľubkina, V. (2016). Educational tourism in the training of future tourism professionals, *Proceedings of the International Scientific Conference "Society, Integration, Education"*, 245-255.
13. Demeter, T. & Bratucu, G. (2014). Typologies of youth tourism. *Bulletin of the Transilvania University of Brasov, Series V: Economic Sciences*, Vol. 7, No. 56, 115-122.
14. Gibson, H. (1998). The educational tourist. *Journal of Physical Education Recreation and Dance*, Vol. 69, No. 4, 32-34.
15. Goeldner, C. R., Ritchie, B. J. R. (2009). *Tourism: principles, practices, philosophies*, John Wiley & Sons, Inc., Hoboken, New Jersey, New Jersey.
16. Hayes, D. & MacLeod, N. (2008). Putting down routes: an examination of local cultural policy shaping the development of heritage trails. *Managing Leisure*, No. 13, 57-73.
17. Jovičić D. (2000). *Turizam i životna sredina – koncepcija održivog razvoja*. Zdužbina Andrejević, Beograd.
18. Lanegran, D. (2005). *Discussion on Question: What Makes a Good Field Trip?* B. Hecht. St. Paul, MN.
19. Lukić, D. (2005). *Đerdapska klisura*. Srpsko geografsko društvo., Beograd.

20. Maksin M, Pucar M, Korać M. i Milijić S. (2009). *Menadžment prirodnih i kulturnih resursa u turizmu*. Univerzitet Singidunum, Fakultet za turistički i hotelijerski menadžment, Beograd.
21. McGladdery, C.A. (2016). *The relationship between international educational tourism and global learning in South African high school learners*. Unpublished doctoral thesis, University of Pretoria, Pretoria.
22. McGladdery, A. C., Lubbe, B. A. (2017). Rethinking educational tourism: proposing a new model and future directions. *Tourism Review*, Vol. 72, No. 3, 319-329.
23. Obenour, W., Patterson, M., Pedersen, R., & Pearson, L. (2006). Conceptualization of a meaning-based research approach for tourism service experience. *Tourism Management*, Vol. 27, No. 1, 34-41.
24. Petrović M. D., Lukić, D., Radovanović, M., Vujko, A., Gajić T. & Vuković D. (2017). "Urban geosites" as an alternative geotourism destination - Evidence from Belgrade. *Open Geosciences*, No 9, 442 – 456.
25. Pitman, T., Broomhall, S., McEwan, J. & Majocha, E. (2010). Adult learning in educational tourism. *Australian Journal of Adult Learning*, Vol. 50, No. 2, 219-238.
26. Rodger, D. (1998). Leisure, learning and travel, *Journal of Physical Education, Research and Dance*, Vol. 69, No. 4, 28-31.
27. Smith, A. (2013). The Role of Educational Tourism in Raising Academic Standards. *African Journal of Hospitality, Tourism and Leisure*, Vol. 2, No. 3, 1-7.
28. Sobel, D. (2004). *Place-based education. Connecting classroom and communities*. The Orion Society.
29. Stanković, S., i Pavlović, S. (2006). Savremeni turizam i prostor. *Zbornik radova geografskog fakulteta*, No. 54, 143-162.
30. Stevanović S, Milenković J. (2017). Omladinski turizam u funkciji razvoja Beograda kao turističke destinacije. *HiT menadžment*. Vol. 5, No. 2, 74 - 84.

31. Stojanović V. (2006). *Održivi razvoj turizma i životne sredine*. Univerzitet u Novom Sadu, Prirodno-matematički fakultet, Departman za geografiju, turizam i hotelijerstvo, Novi Sad.
32. Tarlow, P. (2005). Dark Tourism: The Appealing ‘Dark’ Side of Tourism and More. In, M. Novelli, ed. *Niche Tourism: Contemporary Issues, Trends and Cases*, Elsevier, Oxford. 47-57.
33. UNESCO: Sustainable development begins with education, <https://en.unesco.org/news/unesco-sustainable-development-begins-education> (19. mart, 2019).
34. UNWTO (2011) Toolbox for Crisis Communications in Tourism, Checklists and Best Practices, Madrid.
35. Wang, B., Shen L., (2008). Education Tourism Market in China An Explorative Study in Dalian. *International Journal of Business and Management* No. 3, 44–49.
36. Wijayanti, A., et al. (2017). Analysis of Supply and Demand to Enhance Educational Tourism Experience in the Smart Park of Yogyakarta, Indonesia. *Economies*, Vol. 5, No. 42, 1-13.

POTENTIALS AND PRIORITIES FOR INTEGRATED AND SUSTAINABLE TOURISM DEVELOPMENT OF DANUBE TOURISM DESTINATIONS IN SERBIA

Vladica Ristić¹; Marija Maksin²;

Abstract

Key tourist resources in the Danube tourism destinations in Serbia (DTDs) are identified for integrated and sustainable tourism development. Based on the attractiveness of these tourist resources, the paper proposes a differentiation of the tourism destination into three high-level tourist areas. The paper proposes criteria and priorities for activating and achieving the integrated and sustainable development of tourism on the Danube. The paper points out that priority should be given to improving the presentation and development of the interpretation of tourist resources in order to achieve the potential level of their attractiveness, as well as developing a wide range of activities, integrating and diversifying the tourist offer of DTDs, and increasing the accessibility of DTDs. As the existing institutional arrangements are among the causes of the unattractive and undeveloped tourist offer, improvements in the management of the DTDs are proposed.

Key Words: *Danube tourism destinations, attractiveness, differentiation, integration, criteria, institutional arrangements*

JEL classification: *O2, O3*

Introduction

The Danube is pan-European corridor VII, the only European water transport corridor, and its section through Serbia, the international waterway E-80 (588 km, or a quarter of the total length of the waterway

¹ Vladica Ristić, PhD, Associate Professor, Academician of IRASA, Faculty of Economics and Engineering Management, University Business Academy, Cvečarska 2, 21000 Novi Sad, Republic of Serbia, +381 11 2833420, vladicar011@gmail.com

² Marija Maksin, PhD, Full Professor, Scientific Counselor, Academician of IRASA, Institute of Architecture and Urban & Spatial Planning of Serbia, Bulevar kralja Aleksandra 73/II, 11000 Belgrade, Republic of Serbia, +381 11 3207335, maja@iaus.ac.rs

of 2,415 km), has significant and little exploited potential, with the most attractive nautical section on the whole of the Danube that is completely unused. The tourism resources offered by the Danube and its coastal belt classify it as one of the primary tourist areas in Serbia – the Danube tourist destinations (DTDs). Its importance increases the potential of this tourist area to integrate the three tourist clusters (Vojvodina, Belgrade and southeastern Serbia), that is, to connect a number of destinations with different involvement in the all-year-round tourist offer. Corridor VII, i.e. the Danube with its coastal belt, belongs to the Danube Development Axis of the Republic of Serbia.

The paper begins with a short review of the significance of the Danube to the development of tourism based on planning established at the national and provincial level of governance, in the domain of spatial planning and sectoral planning for the development of tourism. Key tourism resources are identified, first and foremost the Danube's water surface and the natural and cultural heritage in the coastal area. Starting from the FAS methodology of UNWTO, the attractiveness of the Danube's tourism resources and its coastal belt are evaluated.

The results of the evaluation indicate that their potential attractiveness to tourists has not yet been achieved. One of the reasons for the relatively low level of attractiveness for tourism is that the significance of the presentation and interpretation of tourism resources for the enjoyment of visitors has been neglected.

Starting from the planning basis and an evaluation of the key tourism resources from the aspect of their potential attractiveness in the development of tourism, a differentiation of the Danube and its coastal belt into three high-value interconnected zones is proposed. Criteria are proposed for determining priorities, on the basis of which the priorities are identified for the activation and establishment of the sustainable tourism development on the Danube.

The concluding considerations indicate the key problems with the institutional arrangements applied, which should be changed in the process of improving the management of sustainable tourism development in the primary tourism destinations of the Danube through Serbia.

Analysis of the Danube's tourism potentials

The planning basis for the tourism potentials

The paper analyzes only the planning basis established at the national and provincial levels of management in the domain of spatial planning and sectoral planning in the development of tourism.

The Law on the Spatial Plan of the Republic of Serbia from 2010 to 2020 (2010) singles out the Danube, and its tributaries the Sava, Tisa, and main DTD canal as international navigable touring routes for tourism. The following are among Serbia's primary tourism destinations along the length of the Danube: the Upper Danube, Fruška Gora, Deliblatska Sands and the Lower Danube (destinations with a smaller share of the all-year-round tourism offer) and the city tourism centres of Belgrade and Novi Sad (destinations with a complete tourism offer throughout the year), while Kladovo is classified as a town of international importance to tourism, Sombor as a town of national importance to tourism, and Junaković spa as a place with potential for spa tourism of national importance. The following were set apart as priorities for the spatial development of tourism by 2014: Belgrade's riverfront, Fruška Gora with Novi Sad and Sremski Karlovci (rehabilitation of the national park and tourist sites) and touring along the route of corridor VII – the Danube (equipping it for navigation, nautical tourism and themed routes/tours).

More detailed consideration of the activation of tourism resources and development of tourist attractions on the Danube and in its coastal area are presented in the *Regional Spatial Plan of AP Vojvodina* (RSP APV, 2011). The news regarding the tourism products determined by the *Spatial Plan of the Republic of Serbia, the Strategy for the development of tourism in the Republic of Serbia and the Marketing strategy for tourism in Vojvodina* is the anticipated development of the tourism product of ecotourism, first and foremost in the area of protected natural assets (RSP APV, 2011:138, 139). Starting with tourism resources, *the Marketing strategy for tourism in Vojvodina* (2009) proposes a detailed and supplemented portfolio of tourism products. *The Strategy for the development of tourism in the Republic of Serbia for the period 2016-2025* (2016) ranks nautical tourism and cruise trips as middle priorities among Serbia's 10 tourism products, and in this way the real significance of the Danube and DTDs for the sustainable tourism development in Serbia is not acknowledged. On the list of various tourism destinations is

the Danube, with four destinations (the Upper Danube, Lower Danube, the Middle Danube with Belgrade, and Novi Sad with Fruška Gora and Sremski Karlovci).

None of the aforementioned planning documents show the problem of the insufficient attractiveness of key tourism resources in Serbia, which is generally still a factor; instead of them attracting tourist demand, these areas are not even confirmed priorities for activities related to developing a tourist presentation and interpreting the natural and cultural heritage in primary tourism destinations along the Danube.

The existing spatial and sectoral planning framework (in tourism) and numerous studies on the Danube and its coastal area should be analyzed and integrated into the Spatial Plan for the Special Purpose Area and the Strategic Master Plan for the Development of Tourism for the Danube development axis/belt in Serbia. They should be used to define action plans and implementation programmes for the sustainable tourism development in potentially the most attractive zones and localities on the Danube (Maksin-Micic & Milijic, 2001). Good examples of the sustainability and compatibility of planning solutions and priorities are the Spatial Plan for the Special Purpose Area of Djerdap National Park and the Master Plan for the Development of Tourism in the Lower Danube (Maksin et al., 2014; Nenković-Riznić et al., 2016).

The Danube's key tourism resources

In this paper the following key tourism resources along the Danube and its coastline are identified:

- the Danube water surface with its islands and permanent estuaries represents a potentially very attractive resource for sailing recreationally along the Danube, and with the distributaries and morpho-hydrological elements of the inundation plane it is a powerful ecological corridor of international rank, which enables people to become familiar with, study and interpret biodiversity and the existence and migration of different populations from the natural world;
- natural heritage, with 35 protected areas and 19 areas in the process of or being planned for protection, which cover around 77 km² of the water area and around 230 km of the Danube coast;
- cultural heritage from archaeological sites from the Neolithic period (Starčevo, Vinča, Lepenski Vir etc.), the Roman road and bridge in

Djerdap, the Roman Limes and fortifications (Viminacium, Diana and others), medieval fortifications (Bač, Petrovaradin, Belgrade, Smederevo, Golubac, Ram, Fetislam) and other material and non-material cultural heritage;

- diversity of its natural and cultural areas (from cultural areas close to natural areas to urban areas) along the coast.

From the aspect of developing tourism, the route of the international waterway is of prime importance for international tourist (cruising) boats and for yachts and boats of all categories. The special advantage of the Danube on its course through Serbia is the possibility of freeing international waterway from the presence of recreational vessels by establishing "small waterways", that is, "waterways for recreational sailing" that can be adapted and developed alongside the international waterway. This avoids possible conflicts and incidents on the international waterway, and tourists who are sailing for recreation are directed towards the most attractive coastal zones of the Danube.

On the sector of the Danube through Serbia four basic types of aquatic area can be seen: the river surrounded by wetlands; the water surface with river islands and sandbanks downstream from Futog, among which the biggest archipelago of islands is between Belgrade and Pančevo; the lake between Moldova and Golubac, where the Danube is at its widest; and Djerdap Gorge. These different types of areas favour the development of nautical tourism, different outdoor activities and special interests (fishing, hunting, bird watching, etc.), and in certain sections the development of bathing tourism, primarily in the so-called "Danube Riviera" from Beška to Golubac and in the Lower Danube (in Donji Milanovac, Kladovo and Mihajlovac). The wider protection belt of the international waterway with its coastal area (up to the defensive embankments) is of prime importance for locating marinas, harbours and anchorage, as well as for placing beaches, fishing and cycling trails and for other types of tourist use (Spatial Plan for the Special Purpose Area of the International Waterway E-80 – the Danube, 2015).

There are 17 protected areas of natural value in the Danube coastal area in Serbia: two national parks (Fruška Gora and Djerdap), two nature parks (Tikvara and Begečka Jama), one area of exceptional qualities (Great War Island), five special nature reserves (the Upper Danube, Karadjordjevo, Bagremara, Kovilj-Petrovaradin Wetlands and Deliblatska Sands) and 25 natural monuments. Four areas are waiting for their declaration of protection (one special nature reserve – Titelski Breg in the municipality

of Titel and three monuments of nature), while 15 areas are planned for protection (Ibid.).

The Danube waterway with the coastal belt is an ecological corridor of international importance. Areas with international protection status or candidates for obtaining this status are: *Important Bird Areas* (IBA) – Upper Danube, Karadjordjevo, Fruška Gora, Titelski Breg, Kovilj Wetlands, Dunavski Lesni Odsek, Sava Estuary, Labudovo Okno, Deliblatska Sands, Djerdap and Mala Vrbica; *Important Plant Areas* (IPA) – Upper Danube, the Slatinska area around Doroslova, Fruška Gora, Kovilj-Petrovaradin Wetlands, Titelski Breg, Veliko ratno ostrvo, Šalinački Lug, Deliblatska Sands, Djerdap and Kladovo–Radujevac; *Prime Butterfly Areas* (PBA) – Upper Danube, Fruška Gora, Deliblatska Sands and Djerdap; *Emerald Network of Areas of Special Conservation Interest* (ASCI) – Upper Danube, Tikvara, Fruška Gora, Kovilj-Petrovaradin Wetlands, Pančevo River Islands, Šalinački Lug, Deliblatska Sands and Djerdap; Ramsar sites – Upper Danube and Labudovo Okno, and Kovilj-Petrovaradin Wetlands and the Lower Danube are candidates for enrollment on the list of Ramsar sites (*List of Wetlands of International Importance of the Convention on Wetlands*); biosphere reserves – areas planned for establishment as biosphere reserves according to the UNESCO programme *Man and the biosphere* (MaB) are the Upper Danube, Deliblatska Sands and Djerdap; Carpathian areas, areas of the application of the *Objective convention on the protection and sustainable development of the Carpathians in Serbia* – Djerdap; World Heritage Sites – Djerdap National Park and Deliblatska Sands are on the *Tentative List* for placement on the UNESCO *List of World Heritage* and areas for cross-border cooperation – Upper Danube (on the formation of the Dunav-Drava-Mura cross-border Biosphere Reserve), Fruška Gora, Deliblatska Sands and Djerdap (on the establishment of common natural assets/a cultural area that will include the Djerdap National Park on the Serbian and *Portile de Fier* Natural Park on the Romanian side).

The cultural heritage of the Danube belt is an integral part of European cultural heritage, which should be the starting point for its presentation, interpretation and inclusion in the European routes of culture and the Danube tourist offer. In the coastal belt of the entire Danube through Serbia 1,186 objects and remains have been confirmed or presumed to have the character of cultural assets. So far, only 140 immovable cultural assets have been categorized (11% of the total) and 374 assets (31,5%) have been registered, 31 immovable cultural assets of exceptional

importance (national importance) and 89 assets of great importance (regional importance) have been categorized. On the *Tentative List* of UNESCO of world heritage sites are the city of Bač and its surroundings, Smederevo Fortress and the Roman Limes. The development of the European Danube Cultural Corridor is foreseen along the length of the Danube, as well as the cultural route of *Fortresses on the Danube* (Bač Fortress, Petrovaradin Fortress, Belgrade Fortress, Smederevo Fortress, Ram Fortress, Golubac Fortress and Fetislam Fortress). Plans for the cultural route the *Roman Emperors route in Serbia* are in their initial stages; the route includes the following localities along the Danube: Singidunum, Vinča, Viminacium, Golubac fortress, the Roman limes, Trajan's route, bridge and sign, Lepenski Vir and the Diana Fortress. Of all of these localities, only Viminacium Archaeological Park and Lepenski Vir have been prepared for tourists (Ibid.).

The advantage of the Danube is that it can include tourist offers at a distance of 100 km from a port, harbour or marina if an attractive enough tourism product is prepared for travelers on the Danube and its coastal belt. The key question is: how many tourism resources have become attractive to tourists and are they included in the Danube tourist offer (see more: Maksin, 2010)?

The basic feature of tourism in Serbia is the diversity and the number of natural and cultural tourism resources over a relatively small area, on one hand, and the low level of their activation and attractiveness for tourists, on the other. This imbalance is particularly pronounced throughout the course of the Danube and on its coast. It is well known that the Danube has the highest number of tourists on river cruises in the world, but in 2009 only 13.4% or 51,000 tourists arrived at the international ports in Belgrade, Novi Sad and Donji Milanovac, a number which rose to around 120,000 passengers in 2016 (Port governance agency, 2017, eKapija 07.08.2017).

We believe that the key problems are neglecting the significance of presenting and interpreting tourism resources for the enjoyment of visitors and establishing their potential attractiveness, as well as neglecting the development of a wide range of activities and integrating the Danube tourist offer.

Assessment of the attractiveness of the Danube's key tourism resources

According to the FAS methodology of UNWTO (2010), there are tourism attractors, factors and support. Attractors are natural, cultural and created or built (man-made) tourism resources that continuously attract a significant number of tourists. Tourism factors are natural tourism resources that attract a small number of tourists in relation to their potential attractiveness, as they are not yet adequately prepared for inclusion in the tourist offer of a destination. They also include human (cultural traditions, knowledge and skills, the wages and working conditions in tourism, technological development) and capital factors (accessibility of loans, development of entrepreneurship and infrastructure, capital attraction) that are necessary in order to activate the potential of the natural tourism resources. Support includes complementary services, transport (availability of tourist attractions and natural factors) and tourist facilities that contribute to the attractiveness of tourism resources and destinations.

According to the FAS methodology, each attractor is assessed according to the attractiveness it achieves for tourists on a scale of 1 to 5 points (qualitative assessment of the number of visitors, beauty of the locality/site, tourist value achieved, etc.) and according to its potential to attract tourists in the future on a scale of 1 to 5 points (qualitative assessment of possible improvements, a future growth or decline in the number of tourists, a possible increase in accessibility etc.). The assessment of attractors is a median score of the current attractiveness of tourists and the potential to attract tourists in the future (Table 1). Natural factors are assessed qualitatively on a scale of 1 to 5 points according to their beauty, biodiversity and potential to attract tourists in the future.

In this paper only attractors and factors of priority importance for the development of tourism along the whole course of the Danube through Serbia are identified, while a more detailed list of attractors and factors should be established for each of the destinations along the Danube. The problem in terms of the evaluation of the attractors is the incomplete data on the number of visitors to these tourism resources.

Two key natural attractors are identified – Djerdap Gorge and Fruška Gora National Park, which are considered in terms of nature preservation, and the characteristics of unique natural elements along the course of the

Danube (Djerdap Gorge) to have great potential for attracting tourists in the future. The average score of 3.5 reflects the high attractiveness of these natural attractors, which must be improved in terms of interpretation, activity and accessibility.

Six cultural attractors are identified. The best example is the Viminacium Archaeological Park, which with excellent presentation, a developed tourist interpretation, numerous events and access to cruisers (the port) from the Danube has become a cultural attractor on the Danube throughout the year. Lepenski Vir has excellent presentation; it is developing its tourist interpretation and has the potential to become one of the biggest cultural attractors when it secures access to cruisers on the Danube and develops its planned offer of activities. Fruška Gora monasteries with Sremski Karlovci and all of the fortresses on the Danube (including the Petrovaradin and Belgrade Fortresses, which are the only ones included in the tourist offer) must develop a presentation, tourist interpretation and offer of activities for tourists. The average score of 3.7 reflects the high attractiveness of these cultural attractions, which must be further improved.

Built attractors are least developed in the territory of Serbia. Junaković Spa was only conditionally included in the built attractors, since the number of tourists in the municipality of Apatin in the period 2009-2016 was less than 10,000 (Municipalities of the Republic of Serbia, 2010; Municipalities and regions of the Republic of Serbia, 2017). Traditional crafts/trades are being organized, restored and presented to tourists in the municipalities of Sombor and Kladovo, but they are not well promoted. For this reason, the score of 1.25 indicates the significant underdevelopment of this type of attractor and the priority to develop various created and built attractors on the Danube (spa and health centres, aqua parks, golf courses, nautical centres, traditional trades/crafts etc.).

Table 1: *Scores for the attractors using FAS methodology*

A. Natural attractors		Score	B. Cultural attractors		Score
1.	Djerdap Gorge	4.0	1.	Viminacium Archaeological Park	4.0
2.	Fruška Gora National Park	3.0	2.	Lepenski Vir	3.5
Total		3.5	3.	Fruška Gora monasteries and Sremski Karlovci	3.0
C. Built attractors		Score	4.	Fortresses on the	3.25

				Danube*	
1.	Junaković Spa	1.0	5.	Exit festival	4.0
2.	Traditional crafts	1.5	6.	Beer fest	4.5
Total		1.25	Total		3.7
Attractors		Score	* The fortresses in Bač and Smederevo are on the UNESCO World Heritage <i>Tentative List</i> (http://whc.unesco.org/en/tentativelists/state=rs). Note: scores range from 1–5, a score of 1 is for low, and a score of 5 is for high attractiveness.		
A	Natural attractors	3.5			
B	Cultural attractors	3.7			
C	Built attractors	1.0			
Total		2.7			

Table 2: *Scores for natural factors using FAS methodology*

Natural factors		Score
1.	Djerdap National Park**	5.0
2.	SRP Upper Danube	3.5
3.	SRP Deliblatska Sands**	3.5
4.	Ramsar sites* and wetlands	3.0
5.	Danube	5.0
6.	Sava	4.0
7.	Tisa	4.0
8.	DTD canals	2.5
9.	Climate	2.0
Total		3.6

* The Upper Danube and Labudovo Okno are on the Ramsar list, and the Kovilj-Petrovaradin Wetlands and the Lower Danube are candidates for the list. (www.ramsar.org/sites/default/files/document/s/library/sitelist.pdf).

** Djerdap National Park and Deliblatska Sands are on the *Tentative List* for the UNESCO *World Heritage List*.

Nine natural factors of priority importance for the development of tourism on the Danube were identified (Table 2). Because they are potentially the most attractive factors, and there is an expected increase in their accessibility (planned development of nautical and other transport infrastructure), the Danube and Djerdap National Park are the best-ranked natural factors. The remaining factors are the Sava River, the Tisa and its canals, the wetland habitats on the Danube and a unique natural asset in Europe – Deliblatska Sands, whose potential attractiveness is highly ranked. Worst ranked is the climate, with a relatively unfavourable summer tourism climate index which will increasingly manifest in the future (see: Maksin et al., 2011).

The results of the FAS methodology indicate that the exceptional resources for the development of tourism on the Danube and its coastal strip are still insufficiently activated and insufficiently attractive.

Arranging, presenting and especially developing the interpretation of natural and cultural tourism resources are the first priority for making the Danube more attractive to tourists and for the development of tourism. The exceptional tourist potential of the Danube and its coastal belt can only be fulfilled by means of well-designed and properly implemented interpretation. And other tourist resources, which do not possess significant tourism potential, can become attractive as a result of their strong interpretation (see more in: Maksin et al., 2011). In addition to a significant improvement in attractiveness, it is necessary to increase the accessibility and integrate the offer of tourism resources together with the primary tourism destinations determined by the national spatial plan, different thematic routes (cultural routes, the pathway of Tesla's industrial heritage, wine routes, Danube wetlands, towns on the Danube, life and customs on the Danube and others), nautical, cycling and pedestrian routes.

Priorities for the development of sustainable tourism on the Danube

From the aspect of potential attractiveness for the development of tourism, the Danube and its coastal belt can be divided into three specific tourism spatial units which interact and differentiate according to their dominant characteristics – the Upper, Middle and Lower Danube. Both in the Upper and Lower Danube, and in certain sectors of the Middle Danube, there are areas with protected typical flora and fauna (ornitho and ichthyo), which are the dominant "ecological zones of the Danube", and they are a tourism resource which can also satisfy the toughest demands of the European tourist clientele.

In the Upper Danube, as a predominantly ecological zone (in the Beždan–Beška–Novi Sad sector), development should primarily be based on the tourist valorisation of biodiversity. This zone represents the preserved authentic Upper Danube, rich in wetland zones, tributaries, canals and water surfaces covering significant areas. In this zone, a portfolio composed of the following internationally competitive tourism products will be developed: a nautical and ship touring complex; special interests; rural tourism of coastal villages and farms with a multi-ethnic tourist offer; health (spa, wellness) tourism in Junaković Spa; city tourism in the immediate surroundings (Apatin, Sombor, Novi Sad, Sremski Karlovci); events (Exit Festival), MICE and mountains with lakes (part of Fruška Gora National Park). The key point in this sector, at the entrance of the Danube from Hungary to Serbia, is a zone made up of – Baračka winter

harbor with possible anchorage, a harbour and a marina, the entrance to the Large and Small Canal of the DTD hydraulic system, the bridge over the Danube – the connection between Bezdan and Batine in Croatia and and the exceptional architecture of the Battle of Batina Museum building, which could also accept the role of being the priority visitor center (welcome center) of the Danube at this entrance to Serbia. More serious development of tourism in this sector is possible only in conjunction with the Croatian wetland zones of neighbouring Kopački Rit and the Danube-Drava National Park in Hungary.

The Middle Danube Region, as a predominantly urban and industrial zone (in the Beška-Novi Sad-Golubac sector), should develop tourism based on the so-called "Danube Riviera of Serbia" (extending for a total length of 220 km along the Danube). Water and coastal traffic (water and bus) could contribute to this sector of the Danube being attractive to larger cities and settlements (in particular by activating regular local and regional boats that could gain the status of being a "small white fleet"). In terms of tourism, the Middle Danube Zone is characterized by: a) on the right bank of the Danube, weekend-tourist settlements in attractive locations, which are interwoven with rural settlements from Čortanovci to Golubac, within which Silver Lake is situated; b) on the left bank of the Danube, except for Titel, Novi Sad and Pančevo, village settlements with rural and environmentally attractive zones such as: Kovilj Wetlands, the Island of Krčedin, the Tisa estuary with forelands towards the Danube, the canal connection between the Danube and Tamiš and others; c) numerous river islands, small recreational waterways, and cycling routes along both banks of the Danube.

The development of tourism in the Lower Danube region, as the most attractive historical (in the Golubac–Timok estuary) and ecological zone, should be based on natural and cultural heritage. In terms of tourism the zone of the Lower Danube region is characterized by:

- a) Djerdap Gorge with Djerdap National Park;
- b) The hydropower and navigation systems Djerdap I and Djerdap II;
- c) Numerous archaeological sites – Lepenski Vir, the remains of the Roman Limes, Trajan's Plaque, Trajan's Bridge, the Diana Fortress, the Byzantine-Serb fortified cities of Ram, Golubac and others;
- d) The lake environment of the Djerdap Lake which provides full safety of navigation to all nautical water vessels and is the most attractive nautical and recreational zone on the Danube;

- e) The possibility of connecting with the attractive tourist offer in the immediate surroundings of the Danube (such as wineries in the Negotin region, monasteries and caves in Homolje, the Roman Emperors Route from the Limes through Gamzigrad to Niš and others).

The development of tourism in this zone should be carried out in conjunction with Romania – with the *Portile de Fier* Natural Park on the Romanian side (concept from the Spatial Plan for the Special Purpose area of the International Waterway E-80 – the Danube, 2010).

In order to initiate the basic nautical route along the Danube through Serbia, the first step should be to define the criteria for selecting the locations of nautical points, which are related to the stages of developing tourism:

- Criteria for phase I: travel time; support from the infrastructure of urban areas, organized existing services of interest for the passengers, and already established tourist offers; distance in relation to the journey time for most vessels at medium speed (20–30 km/hour); journey time in relation to the characteristics of the waterway – speed and type of watercourse (river, lake) and the hydrological regime in relation to the season (high, normal or low water); the tourist offer in the surroundings (wetlands, river islands, sand banks, hunting grounds, fishing zones, traditional farms and houses, winter resorts, marinas, cultural and historical sites, traditional events, cities – culture, entertainment, trade/craft, history);
- Criteria for phase II: the attractiveness of the tourist offer of the coast and the aquatic area, which can be defined by means of dedicated "packages": culture-historical (from prehistory to the present day), environmental and research (from photo-safaris to research stations), sport and recreational (from competitions to entertainment events), ethno-gastronomic (from traditional happenings to the grape harvest and wine tours), hunting-fishing (from high trophy game to ducks and sport fishing with competitions);
- Criteria for phase III: the motivation of potential clients will be determined based on visitors' surveys, which will directly influence the design and development of competitive offers at numerous localities. From the aspect of motivation boat passengers will have one of two preferences: first – transit through the Serbian waters of the Danube towards further destinations, like the Danube Delta or passage towards the Black Sea, Kiev or the Northern European nautical route;

second – targetted arrivals in the Serbian waters of the Danube to visit Djerdap Gorge as the primary phenomenon on the Danube, visits to protected natural assets, wetlands or cultural heritage such as Lepenski Vir, Vinimacijum, Vinča and others.

The criteria for differentiating settlements and localities on the Danube coast, according to their importance for developing nautical tourism and nautical infrastructure, are as follows:

- Transit points, which are acceptable facilities for nautical tourism that rely on the infrastructure of coastal cities that function as half-way/time stops – staying for 1 night/day;
- Transit destination points, which are large city or towns on the coast that have welcome facilities for nautical tourism, because in addition to the availability of these facilities, boat passengers want to get to know the city, people, culture and traditions (a 2–4 day stay);
- Target safari zones, which are areas of special interest that can be the destination of a trip (stay for a few days).

Based on the above criteria, the following most attractive settlements and locations of nautical and tourist points on the Danube and its coastal belt can be distinguished:

- The 10 most important locations on the Danube from the aspect of nautics – Baračka (the entrance and exit to the Danube in Serbia, the connection with the DTD canal network and Sombor); Prahovo (the entrance and exit to the Danube in Serbia, the Timok Estuary); Beška (crossing corridors VII and X); Novi Sad (provincial center, crossing corridors VII and X, the connection between the Danube and the DTD); Belgrade (the capital city of Serbia, crossing the Danube and the Sava, the airport, *Rent a Boat* and others); Pančevo (Tamiš Estuary); Smederovo (crossing the Danube and Morava); Stara Palanka (connection of the DTD canal with the Danube–Karaš, contact with the Nera River and the Romanian border); hydroelectric power stations Djerdap I and Djerdap II (locks);
- Complexes of cities and towns – representatives of the people, culture and history: Novi Sad–Petrovaradin–Sremski Karlovci, Belgrade–Zemun–Pančevo and Smederevo–Veliko Gradište–Golubac;
- Nautical tourist points – 18 cities and towns in the immediate coastal zone of the Danube: Apatin, Bačka Palanka, Novi Sad, Petrovaradin, Sremski Karlovci, Titel, Zemun, Belgrade, Pančevo, Kovin, Grocka,

Smederevo, Kostolac, Veliko Gradište, Golubac, Donji Milanovac, Kladovo, Brza Palanka and Prahovo;

- Potential nautical tourist points – 11 settlements with a urban-like character (Čeverić, Beočin, Sremska Kamenica, Stari Slankamen, Batajnica, Dubravica, Dobra, Tekija, Dobrovo, Mihajlovac and Radujevac) and 46 village settlements in the immediate coastal zone of the Danube.

At locations with the most attractive and most important natural and cultural tourism resources along the Danube, the priority is the construction of new and the equipping of existing harbors with the appropriate infrastructure to receive tourist boats, in: Bogojevo (entrance to the Upper Danube Special Nature Reserve), Bačko Novo Selo (access to Bač fortress and settlement and Karadjordjevo), Titel/Slankamen (Tisa Estuary, access to Carska Bara), Pančevo, Vinča, Kostolac (near the Viminacium archaeological site), Golupac (in the immediate vicinity of Golubački Grad), Lepenski Vir (access to the archaeological site) and Brza Palanka.

The choice of location for marinas in the first phase of making the basic nautical route along the Danube should be based on the following criteria: distance between places from the aspect of daily travel/navigation, the possibility of supplying vessels with fuel (petrol, diesel, gas) and meeting other needs of the vessels and crew/tourists, as well as the tourist offer of the surroundings in a radius of 20-30 km from the actual reception point. Fuel supply (according to Austrian experience) is acceptable for 5-7 hours of driving, or a distance of 130-160 km between fuel pumps (at a speed of 20-30 km/hour). Starting from these criteria, the priority in the first phase should be the marinas: Bačka Palanka, Novi Sad, Čenta-Karaš, Hotel Jugoslavija (Belgrade), Kovin, Ram, Stara Palanka and Donji Milanovac/Poreč bay.

Conclusion

The Danube is the primary international navigable tourism destination for touring in Serbia, on which there are four primary tourism destinations and two primary city tourist centers, with many tourism resources which have international protection status or are candidates for obtaining this status. In addition to this, only six cultural and two natural attractors have been identified with an average score of 3.7, that is 3.5. These scores indicate their high attractiveness, which must be further improved. Least

developed are built or created attractors (score of 1.25). The potential attractiveness of nine natural factors is highly ranked (3.6). Therefore, priority is given to improving the presentation and development of the interpretation of tourism resources for the enjoyment of visitors and achieving the potential level of their attractiveness, as well as developing a wide range of activities, integrating the tourist offer on the Danube and increasing its accessibility. Along the entire Danube through Serbia, only the Viminacium Archaeological Park stands out as the most attractive cultural tourism resource, and the attractiveness of Lepenski Vir is growing, precisely because of its attractive presentation and tourist interpretation. The priority is the development of various created/built attractors on the Danube (spa and health centers, aqua parks, golf courses, nautical centres, traditional crafts etc.).

From the aspect of the potential attractiveness for the development of tourism, there are three specific tourism spatial units which are interconnected but are differentiated by their dominant characteristics – the Upper, Middle and Lower Danube. The Upper and Lower Danube can accelerate competitive and sustainable tourism by means of cross-border cooperation with Croatia / Hungary and Romania. In order to develop and connect the Danube tourist offer, the priority is the regulation of the international waterway and the phased arrangement and equipping of the small nautical routes on the Danube. In order to increase the accessibility of the sites with the most attractive and most important natural and cultural tourism resources along the Danube, it is necessary to build new and equip existing harbors with the appropriate infrastructure to receive tourist boats. The priority in the coastal belt should be the sustainable and competitive development of tourism in the complexes of cities and towns that represent the historical development and intercultural influence of several nations, such as the complexes of Novi Sad–Petrovaradin–Sremski Karlovci, Belgrade–Zemun–Pančevo and Smederovo–Veliko Gradište–Golubac, and then other urban centers and rural settlements in the primary tourism destinations. The advantage of the Danube is that it can include a tourist offer at a distance of up to 100 km from the port, harbor or marina if an attractive enough tourism product is prepared for passengers traveling along the Danube and its coastal belt.

One of the key reasons for not executing existing master plans (but only partially implementing individual projects) for the Upper Danube, Lower Danube and the Roman Emperors Route in Serbia, or other planning instruments (spatial and urban plans), which are the planning basis for the

sustainable development of the Danube tourism destinations, is the existing system of managing the development of the international waterway, developing tourism, and regulating and protecting the natural and cultural heritage.

Until there is improvement in the system of managing sustainable development, establishment of adequate institutional and organizational arrangements in the tourism sector and other sectors and until there are mechanisms for coordinating actors in the public and private sectors, we will continue to talk about potentials, instead of establishing the attractiveness of the Danube for domestic and foreign tourists.

Acknowledgements

This work is a result of research within scientific projects No TR36036 "Sustainable development of the Danube area in Serbia", and No III 47014 "The role and implementation of the National spatial plan and regional development in the renewal of strategic research, thinking and governance in Serbia", financed by the Serbian Ministry of Education, Science and Technological Development.

References

1. Law on the Spatial Plan of the Republic of Serbia from 2010 to 2020 (2010). "Official Gazette RS", Belgrade, no. 88.
2. Maksin, M., Pucar, M., Milijić, S., Korać, M. (2011). Sustainable development of tourism in the European Union and in Serbia, Institute for Architecture and Urbanism of Serbia, Belgrade.
3. Maksin, M. (2010). Challenges, response and partnership for achieving sustainable tourism and heritage preservation, SPATIUM International Review, No. 22, 11–18.
4. Maksin-Micic, M., Milijic, S. (2001). Methodological approach to the spatial plan of the river belt, SPATIUM, No. 7, 5–8.
5. Maksin, M., Milijić, S., Krunić, N., Ristić, V. (2014). Spatial and sectoral planning support to sustainable territorial and tourism development in protected mountain areas in Serbia. SPATIUM International Review, No. 32, 15-21.

6. Nenковиć-Riznić, M., Ristić, V., Milijić, S., Maksin, M. (2016). Integration of Strategic Environmental Assessment and Environmental Social Impact Assessment into Strategic Territorial Planning: Lessons Learned from Two Cases of Tourism Destinations in Protected Areas. *Polish Journal of Environmental Studies*, Vol. 25 (3), 1353-1366.
7. Marketing strategy of Vojvodina tourism (2009). Secretariat for the Economy of the Executive Council of AP Vojvodina, Novi Sad.
8. Regional Spatial Plan for the Autonomous Province of Vojvodina 2009-2020 (2011). "Official Gazette of AP Vojvodina", No. 22.
9. Strategy for the development of tourism in the Republic of Serbia for the period 2016-2025. (2016). "Official Gazette RS", No. 98.
10. Spatial plan for the Special Purpose Area of the international waterway E-80 – Danube (2015). "Official Gazette RS", No. 14.
11. UN Joint Programme "Sustainable Tourism for Rural Deelopment" (2010). Master Plan for Sustainable Rural Tourism Development in Serbia, Madrid, UN WTO.
12. Statistical Office of the Republic of Serbia (2017). Municipalities and regions of the Republic of Serbia.
13. Statistical Office of the Republic of Serbia (2010). Municipalities of the Republic of Serbia.
14. Port governance agency, 2017, eKapija 07.08.2017.
15. Tentative Lists, UNESCO World Heritage Centre, <http://whc.unesco.org/en/tentativelists/state=rs>
16. List of Wetlands of International Importance of the Convention on Wetlands, The Ramsar Convention Secretariat, <http://www.ramsar.org/sites/default/files/documents/library/sitelist.pdf>
17. Biosphere Reserves, Man and the biosphere Programme (MaB), UNESCO, <http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/>

PLACE AND THE ROLE OF ACTIVITIES OF TOURISM AND HOSPITALITY IN THE SERVICE SECTOR OF THE REPUBLIC OF MACEDONIA

Risto Gogoski¹;

Abstract

The aim of the paper is to show the place and the role of the activities of tourism and hospitality in the service sector of the Republic of Macedonia. Quantitative and qualitative changes among the activities are also present within the service sector, both structurally and temporally. Besides the participation in the GDP structure for the economic policy makers, a number of other economic indicators is also important: employees in the service activities; capacities in service activities; number of business units in service activities; turnover in service activities; employee's earnings in service activities. Accommodation and food service activities in relation to other service activities will provide a critical overview of the thesis whether it is tourism or some other activities that hold a special place in the strategy for future development in the Republic of Macedonia.

Key Words: *service sector, accommodation and food service activities, capacity and labor force, earnings, turnover*

JEL classification: *E01, E24, J21, J31, Z32*

Introduction

As a result of structural changes caused by several technological revolutions, the tertiary sector or services sector has turned into the dominant area of economic activity worldwide. The structural changes in the economy of each country occur continuously, mainly in the direction of the transition from secondary to tertiary activities. At the same time, tertiary activities increase their participation in the creation of gross domestic product (GDP). Such tendencies contribute to increasing the

¹ Risto Gogoski PhD, full professor, Faculty of tourism and hospitality Ohrid, Kej Makedonija 95, 6000 Ohrid, ristogogoski@gmail.com

interest of the economic policy-makers on the situation and the events in the service activities.

Besides the participation in the GDP structure, for the economic policy makers, a number of other economic indicators are also important: employees in the service activities; capacities in service activities; number of business units in service activities; turnover in service activities; employee's earnings in service activities. They can be used to create instruments for achieving the goals of macroeconomic policies towards accelerated economic development.

The aim of the paper is to show the place and the role of the activities of tourism and hospitality in the service sector of the Republic of Macedonia. This is done by analyzing data on certain economic indicators. The conditions and dynamics of them in accommodation and food service activities in relation to other service activities will provide a critical overview of the thesis whether it is tourism or some other activities that hold a special place in the strategy for future development in the Republic of Macedonia.

Activities from tourism and hospitality are complex and quite difficult for statistical monitoring. Due to a series of methodological problems and simplification of the analysis, the paper only deals with activities such as providing accommodation and food service, for which there are direct and immediate data in the official statistics of the Republic of Macedonia. Also, the author made an arbitrary selection of some of the activities in the service sector that he considers important for the tertiary sector in the Republic of Macedonia, i.e. for the economic development of the country. For these reasons, only those activities are presented statistically in the paper.

Creation of GDP in service activities

Creation of the gross domestic product (GDP) of the companies in the service sectors is shown in table no.1.

The data on the gross domestic product in service activities shows that accommodation and food service activities account for 1.3% of the total gross domestic product for the Republic of Macedonia, while they participated with 2.89% in 2016 in the activities of service sector, presented in Table 1. It is worth mentioning the large share of the real

estate activities, and in 2016 it had almost ten times higher share of GDP in tourism and hospitality.

Table 1: *Gross domestic product (GDP) in some activities of the service sector in the Republic of Macedonia (In millions of denars)*

	Amount				Structure (%)			
	2013	2014	2015	2016	2013	2014	2015	2016
Wholesale and retail trade	60 098	70 725	73 793	80 385	13.6	13.4	13.2	13.5
Transport and storage	17 896	18 408	21 958	23 470	3.6	3.5	3.9	3.8
Accommodation and food service activities	6 409	6 868	7 106	9 195	1.3	1.3	1.3	1.3
Information and communications	16 177	15 992	16 478	18 165	3.2	3.0	2.9	3.1
Financial and insurance activities	13 863	15 418	17 045	17 582	2.8	2.9	3.0	3.0
Real estate activities	60 259	59 933	61 518	59 635	12.0	11.4	11.0	10.2
Total service sector	207 068	283 875	300 123	318 389	41.3	53.8	53.7	53.5
Total Republic of Macedonia	501 891	527 631	558 954	594 795	100	100	100	100

Source: *State Statistical Office, Statistical review No 3.4.17.02/885, <http://www.stat.gov.mk/Publikacii/3.4.17.02.pdf>, Statistical yearbook of the Republic of Macedonia, 2018, <http://www.stat.gov.mk/Publikacii/SG2018/09-NacEk-NatEc.pdf>*

Generally speaking, it can be said that the role of service activities in the structure of GDP growth in the Republic of Macedonia is stable and that it has not changed structurally in the observed period. Wholesale and retail trade, together with transport and storage, does not exceed 20% of the total GDP in the Republic of Macedonia. Even activities such as information and communications, or financial activities and insurance are stagnating when it comes to GDP growth. Travel agencies contribute to GDP growth with transport and storage. In the future, the increase in the share of GDP in accommodation and food service activities would create multiplicative effects in both transport and trade, and vice versa.

The dominant participation of the services sector in GDP growth in the Republic of Macedonia is confirmed. The participation of the

representative service activities in the total GDP of the Republic of Macedonia has been constantly higher than 40% for the whole period, and in 2014 it reached up to 53.8%. If other service activities such as culture, education, entertainment and recreation, public administration and defense are taken, the percentage increases to over 60%. However, the participation of the activities directly and indirectly related to tourism and hospitality is far from being the main driving force of the economic growth in the Republic of Macedonia.

Capacity and labor force in service activities

The number of enterprises, the turnover they carry out, the number of employees and the average earning (wage) can be used to determine the quantitative significance of service activities in the economy of the Republic of Macedonia.

A review of the enterprises (the number of active business entities) and turnover in the service sectors in the Republic of Macedonia is given in table 2.

Table 2: *Number of enterprises and turnover in some of the activities of the service sector in the Republic of Macedonia*

	Number of enterprises				Amount in millions of denars		
	2014	2015	2016	2017	2014	2015	2016
Total in all activities in R Macedonia	70 659	70 139	71 519	71 419	1 012 301	1 075 007	1 121 017
Total Enterprise Service Sector	55 164	54 623	55 431	55 489	601 686	618 807	645 402
Wholesale and retail trade	24 674	23 843	23 716	23 337	442 253	456 112	479 382
Transport and storage	5 919	5 820	5 829	5 732	64 515	65 681	66 273
Accommodation and food service activities	4 493	4 535	4 627	4 559	14 211	15 685	16 930
Information and communications	1 475	1 524	1 618	1 689	37 556	36 063	39 804
Real estate activities	507	516	552	566	4 791	5 795	5 202

Source: *State Statistical Office, Македонија во бројки за 2016*, http://www.stat.gov.mk/Publikacii/MakedonijaVoBrojki2016_mk.pdf, *Statistical yearbook of the Republic of Macedonia 2018*,

<http://www.stat.gov.mk/Publikacii/SG2018/16-StrukturDelovniStat-StructBusStat.pdf>, *Македонија во бројку* 2018,
http://www.stat.gov.mk/PrikaziPublikacija_1.aspx?rbr=722

It can be concluded from the table that accommodation and food service activities in 2016 participated with 6.5% in the total number of enterprises and only 1.51% in the total turnover in the Republic of Macedonia. In comparison, information and communication activities with a share of 2.26% in the number of companies made a turnover of 3.55% of the total turnover in the Republic of Macedonia. The participation of the wholesale and retail trade activity is dominant, which, together with transport and storage, participates in the number of enterprises with 41.3% and in the total turnover with 46.5%. The total service sector in the number of enterprises participates with 77.5% and in the total turnover with 57.6%.

In the accommodation and food service activities, the fact that the number of enterprises is almost five times higher than the share in the total turnover shows that the dominant business entities are from the area of small business. This is not a major handicap given that the underdeveloped economies and small firms are the bearers of growth, owing to their flexibility in times of crisis and financial insolvency. So, small firms are not the problem, but the fact that they are not active enough (seasonal character).

Table 3 shows the number of employees in the service activities in the Republic of Macedonia.

According to the macroeconomic model, resources labor force is important not only because of its qualifications and the impact on productivity, but also because of the dominant share of the component – personal consumption in GDP, national income and so on. (Sloman & Garratt, 2016)

The total service sector in the total number of employees in the Republic of Macedonia participates with 40.1%. Employment in the trade and transport activities is dominant (42.3% of the total employees in the service sector), while in other activities there is no significant structural increase. Information and communication activity had some dynamics in relation to the entire service sector, from 5.5% in 2015 to 6.4% in 2017. Trade and transport activities employment is associated with low level of qualifications, so their large share can be considered to be a negative

factor that slows down the productivity of the service sector, and indirectly influence the economic growth of the Republic of Macedonia.

Accommodation and food service activities in 2017 participated with 4.2% in the total number of employees and with 10.5% in the total number of employees in the service sector. Accommodation and food service activities with dominant employees participation also has food preparation and servicing, which participated with 78.2% in 2017. Tourist agencies and tour operators accounted for 5.7% only in accommodation and food service activities in 2017. Employment in travel agencies requires a higher degree of qualifications in terms of employment in food preparation and servicing. Qualifications affect productivity in an activity that is least represented (tourist agencies and tour operators). It has indirect consequences toward weaker influence of the economic growth in R Macedonia.

Table 3: *Employees in some of the activities in the service sector in the Republic of Macedonia*

	2013	2014	2015	2016	2017
Total employees in all activities in the Republic of Macedonia	483 447	501 788	519 031	534 200	548 681
Total employee only service sector	-	195 800	205 971	215 929	220 037
Wholesale and retail trade	82 428	85 025	87 725	92 359	92 990
Transport and storage	28 536	29 529	31 188	32 841	33 066
Accommodation and food service activities	18 225	20 076	21 468	23 050	23 073
Only accommodation	-	4 138	4 476	4 466	5 025
Only preparing and serving food	-	15 938	16 992	18 584	18 048
Travel agencies and tour operators	-	1 186	1 254	1 267	1 318
Information and communications	10 087	10 744	12 388	13 401	14 060
Financial and insurance activities	9 266	9 391	9 150	9 421	10 811
Real estate activities	2 039	2 135	2 334	2 442	2 465

Source: *State Statistical Office, Statistical yearbook of the Republic of Macedonia 2017*, <http://www.stat.gov.mk/Publikacii/SG2017/07->

PazarNaTrudot-LabourMarket.pdf, *Statistical yearbook of the Republic of Macedonia 2018*, <http://www.stat.gov.mk/Publikacii/SG2018/07-PazarNaTrudot-LabourMarket.pdf>

From Table 3 it can be concluded that accommodation and food service activities employ a significant number of workers in relation to all employees in the service sector. It confirms the labor intensive nature of the activities of tourism and hospitality.

The ratio of employees / enterprises shows that there is an average of 5,08 employees per company in accommodation and food service activities. The average for the Republic of Macedonia is 9.48 employees per enterprise. All service activities presented in table 3 have a lower average employee per enterprise than the level of the Republic of Macedonia. This is confirmed by the fact that, from the point of view of the number of employees, the dominant part of service enterprises are small business firms.

Table 4: *Average net wage per employee in some of the activities of the service sector in the Republic of Macedonia (In Denars)*

	2013	2014	2015	2016	2017
Total for all activities in the Republic of Macedonia	21 145	21 394	21 906	22 342	22 928
Total service sector	-	24 364	24 872	25 145	25 931
Wholesale and retail trade	19 263	19 794	20 024	20 313	21 273
Transport and storage	22 399	22 923	22 296	22 907	23 912
Accommodation and food service activities	15 293	15 015	15 096	15 423	16 070
Only accommodation	-	16 621	17 107	16 999	17 444
Only preparing and serving food	-	13 161	13 266	13 851	14 678
Travel agencies and tour operators	-	16 122	17 375	17 743	18 520
Information and communications	35 214	34 692	35 241	36 489	38 398
Financial and insurance activities	37 583	38 791	39 789	39 701	40 350
Real estate activities	25 183	26 489	24 550	23 969	24 213

Source: *State Statistical Office, Statistical yearbook of the Republic of Macedonia 2017*, <http://www.stat.gov.mk/Publikacii/SG2017/07-PazarNaTrudot-LabourMarket.pdf>, *Statistical yearbook of the Republic of Macedonia 2018*, <http://www.stat.gov.mk/Publikacii/SG2018/07-PazarNaTrudot-LabourMarket.pdf>

Table 4 shows the amounts of the average wage per employee in the service sectors in the country.

The conclusions about the low qualification of the main activities of the service sector, and especially tourism activities, presented after the analysis of the table 3 can only be confirmed by the data from table 4. Trade and transport are activities with relatively low wages in the Republic of Macedonia. Information and communication activities, as well as financial and insurance activities, are relatively low in the employee structure in the Republic of Macedonia, so they cannot significantly influence the aggregate personal consumption of the GDP structure.

As regards accommodation and food service activities, it can be concluded that these are activities with the lowest wages in the segment of the service sector. In 2017, the average wage in tourism and hospitality was 62.0% of the average wage of the entire service sector, i.e. 70.1% of the average wage of the whole economy of the Republic of Macedonia. The average wage of tourist agencies and tour operators is not much higher (106.2%) compared to the average of accommodation and food service activities.

It can be concluded from table 4 that the average paid wage per employee in accommodation and food service activities is the lowest for all service activities. The average wage is lower than the average of the Republic of Macedonia. Except for wholesale and retail trade activities, all other service activities have higher average paid wage than the level for the Republic of Macedonia.

Earnings data in the service sector show that the labor force is directed more towards other service activities than towards accommodation and food service activities. Considering the great importance of human capital, this situation may have serious consequences in the long run stemming from the lack of quality professional labor force in tourism and hospitality, and thus a further stagnation of this activity within the service

sector. The other service activities, above all, information and communications, financial activities and insurance, and even the activities related to real estate will be more significant for the development of the Republic of Macedonia, as they will absorb the skilled labor force.

Technical condition of service activities

In accordance with the microeconomic theory, in determining the factors of the amount of investment, firms follow a certain procedure at the level of capital (investment) they desire. Similar to other factors of production (labor, land), capital demand in tourism and hospitality firms will depend on the marginal capital productivity of that firm, that is, on the marginal product's output of the last unit of the engaged capital. Managers determine the level of maximizing capital gains by comparing the costs and revenues from the use of supplementary capital, in any form - buildings, equipment, etc. (Gogoski, 2012)

The state of direct investments in service activities in the Republic of Macedonia is given in table 5. The data show that the share of accommodation and food service activities has a relatively small share in the total investments and in the total investments for the services sector. Thus, the share of investments in tourism and hospitality ranges from 0.8% to 1.7% of total investments in the economy of the Republic of Macedonia. So, the information and communication activities have four times higher amount of investments than the tourism and hospitality firms. Even the real estate activities have twice as much direct investment as tourism and hospitality.

Service activities have greater participation in the investments than production activities, that is, the entire service sector constantly participates with more than 50% in the total direct investments in the Republic of Macedonia. This trend is positive and confirms the structural changes in the economy of the Republic of Macedonia from the secondary to the tertiary sector. The share of the activities in the production sector is only one third (Gogoski & Naumov, 2018r).

However, there is no significant increase in the relative share of accommodation and food service activities in the total amount of investments in the services sector. This shows that the investments did not contribute to a more intensive improvement of the capital foundation of

the companies from tourism and hospitality, and thus accelerating their development in relation to other service activities.

In the case of the Republic of Macedonia, it is positive that the service sector is dominant in the investments, but within that, the companies from the tourism and hospitality activities are marginalized. This means that the technological capability of the other service activities is increasing, and potentially in the future will have a greater significance for the development of these companies as well as in the GDP growth in the Republic of Macedonia. This will also affect the direction of the already limited financial resources available to the financial intermediaries in the economy of the Republic of Macedonia to other service activities, and not to the activities in tourism and hospitality. (Gogoski-Miloshevic et al., 2018)

Table 5: *Condition of direct investments in some of the activities of the service sector in the Republic of Macedonia (In millions of euros)*

	2013	2014	2015	2016
Wholesale and retail trade	489.4	505.3	706.4	666.0
Transport and storage	41.0	39.6	39.4	34.5
Accommodation and food service activities	35.4	32.8	43.9	42.0
Information and communications	171.9	165.8	174.4	158.4
Financial and insurance activities	73.6	80.6	86.2	88.2
Real estate activities	78.3	76.0	65.2	67.7
Total service sector	1 885.5	1 830.6	2 109.3	2 100.3
Total for all activities in the Republic of Macedonia	3 980.0	4 023.6	4 400.1	4 657.3

Source: *National Bank of the Republic of Macedonia (NBRM). Banking system Reports, annex, different years* http://www.nbrm.mk/izvieshtai_za_bankarskiot_sistiem_na_riepublika_makiedonija7b8cb632.nsp

The situation with the capital equipment can be seen through the indicators for the consumption of fixed capital (amortization) and gross fixed capital formation (new capacities). Such performance indicators for service activities are given in table 6.

In addition to the condition of the capital stock, it is necessary to follow the capital flow conditions. The consumption of fixed capital is lower than the gross fixed capital formation and thus the net investments in the Republic of Macedonia are positive. It is an indicator that firm's capital stocks are increasing. Within the service activities in the last years, accommodation and food service activities have had the largest dynamics of net investments compared to other service activities. The difference in investment in terms of amortization is 1.577 million denars in 2016, i.e. 3.3 times more was invested than amortization. This can be an indication of the positive shifts in the technical condition of tourism firms in the future, with all the positive consequences that arise from this. There are some tendencies in other service activities. It is very interesting that active information and communications have a greater amortization than investment in 2016, which suggests that the development of this activity in the future will be directed towards investing in software. Also, there is a drastically large amount of amortization in terms of investment in the real estate activities, which may result from a methodological approach, as well as a write-off of outdated investments in designing engineering and real estate transactions. Stagnation of net investments is characteristic not only in trade and transport, but also in financial activities.

Table 6: *Consumption of fixed capital (amortization) and gross fixed capital formation (net investments) in some of the activities in the service sector in the Republic of Macedonia (In millions of denars)*

	Consumption of fixed capital				Gross fixed capital formation			
	2013	2014	2015	2016	2013	2014	2015	2016
Wholesale and retail trade	5 237	5 709	5 806	6 287	10 792	11 963	12 005	13 368
Transport and storage	4 454	5 393	5 501	5 713	3 913	3 443	5 469	6 556
Accommodation and food service activities	815	848	947	962	2 424	1 786	2 829	2 539
Information and communications	5 215	5 422	5 435	6 471	7 152	5 387	4 989	6 191
Financial and insurance activities	1 509	1 823	1 394	1 447	2 785	1 873	1 933	2 174
Real estate activities	25 317	24 790	25 269	24 667	1 788	2 517	2 566	1 779
Total service sector	-	47 128	47 727	49 488	-	28 958	33 161	42 025
Total for all activities in the Republic of Macedonia	91 208	95 314	97 008	99 905	119 003	123 549	133 254	145 040

Source: *State Statistical Office, Statistical review No 3.4.17.02/885 u*
http://www.stat.gov.mk/Publikacii/3.4.17.02.pdf, Statistical review No
3.4.18.01/903, http://www.stat.gov.mk/Publikacii/3.4.18.01.pdf

Creation of gross operating surplus (profit) in service activities

According to the system of national accounts, in determining the creation of GDP according to the income method, besides the consumption of fixed capital, the amount paid to the employees (compensation of employees) influences the amount of the business profit (gross operating surplus) of the companies in the service activities. Such data is contained in table 7. The wages of the employees reduce the profit of the companies. However, their increase may affect the increase in the engagement of the labor force, greater effectiveness, and even increased productivity. There is a low level of wages, even underpaid, for the accommodation and food service activities, and it causes negative changes, of which the main problem is the lack of professional labor force.

Table 7: *Gross operating surplus (profit) and compensation of employees (wages) in some of the activities in the service sector in the Republic of Macedonia (In millions of denars)*

	Gross operating surplus (profit)				Compensation of employees			
	2013	2014	2015	2016	2013	2014	2015	2016
Wholesale and retail trade	46 048	45 367	47 448	51 023	22 410	25 731	26 665	29 748
Transport and storage	9 482	8 784	11 938	12 849	8 329	9 625	9 941	10 590
Accommodation and food service activities	2 261	2 352	2 165	2 614	4 170	4 533	4 974	6 631
Information and communications	10 025	9 483	9 410	9 768	6 248	6 716	7 297	8 966
Financial and insurance activities	7 151	8 531	9 739	10 027	6 688	6 864	7 282	7 566
Real estate activities	58 683	58 095	59 677	57 751	847	980	954	1 053
Total service sector	-	145 731	154 239	159 818	-	71 794	75 276	84 231
Total for all activities in the Republic of Macedonia	280 019	285 859	307 255	316 877	159 907	176 316	185 174	201 899

Source: *State Statistical Office, Statistical review No 3.4.17.02/885*
<http://www.stat.gov.mk/Publikacii/3.4.17.02.pdf>, *Statistical review No 3.4.18.01/903*, <http://www.stat.gov.mk/Publikacii/3.4.18.01.pdf>

The low level of wages in the fields of tourism and hospitality is linked to another phenomenon in economic theory defined as - underemployment (McConnell-Brue et al., 2009). This phenomenon is also present in other activities of the service sector (for example, trade), but it is especially emphasized in tourism and hospitality. The insufficient employment of enterprises in the tourism and hospitality industries is a manifest as a phenomenon where a large part of the employees are employed less hours than they want, work on things that do not correspond to their training or qualifications, or spend a large part of working time unproductive. This situation leads to a decrease in labor productivity, which further pushes for wage cuts.

The service sector of the selected service activities in the Republic of Macedonia participates with 45.7% in the gross business surplus (profit) in the Republic of Macedonia in 2016. The compensation of employees (wages) in the selected service activities for that year participates with 30.8% in the total amount at the level of the Republic of Macedonia. For the entire service sector (selected plus: health, social affairs, culture, education, etc.) in 2016, it participates in profit with 50.4% and in wages of employees with 41.7%. Such figures confirm the thesis that "non-productive" service activities are more intense in creating incomes in the Republic of Macedonia.

Service activities generate more profits from other activities, among other things, and due to the smaller mass of paid wages in service. But there are significant differences for individual service activities.

Accommodation and food service activities in the creation of business surplus in the country in 2016 accounted for 0.7%, while within the selected services with 1.54%. For comparison, the activity related to real estate accounts for 19.4% of gross business surplus of all activities in the Republic of Macedonia, while within the service sector with 42.5%. In the compensation of employees (wages), the activity related to real estate participates in wages with 0.5% in the Republic of Macedonia.

Activities from tourism and hospitality are poorly accumulated. Therefore, the lack of own savings should be supplemented by additional

accumulation from the financial system. The underdeveloped financial structure in the Republic of Macedonia promotes banks as major financial institutions for financing investments in tourism and hospitality companies. Unfortunately, there is a bad combination of mutual indifference on both sides. Thus, tourism and hospitality companies do not have the solvency, nor are the banks willing to risk them. The end result of the whole process is the stagnation in the tourism industry in the Republic of Macedonia due to the non-receipt of loans from the banks (Gogoski-Miloshevic et al., 2018).

Compared to previous data on average wages paid, it is noted that the service activities with higher wages participate with most in creating profits. Such information activities related to real estate are the most attractive business for making a profit, with the activities of finance and insurance, information and communications. Unfortunately it does not apply to accommodation and food service activities. No one can expect greater dynamism in the near future either.

Conclusion

Structural changes caused by several technological revolutions have made the tertiary sector or services sector to turn into the dominant area of economic activity worldwide. Emerging economies, such as the Republic of Macedonia, its ongoing economic development, in addition to agriculture, also expects to derive from the services sector. Additionally, in the Republic of Macedonia, tourism and hospitality are strategic branches of which much is expected for further economic growth. But is it so?

Based on the facts of the paper, the following conclusions are presented.

First, due to a series of methodological problems and simplification of the analysis, in this paper, only the part of the activity of accommodation and food service activities for which there are direct and immediate data in the official statistics of the Republic of Macedonia is monitored. Also, some of the services in the service sector that are considered important for the tertiary sector in the Republic of Macedonia, i.e. for the economic development of the country, are arbitrarily selected.

Second, the structure of GDP creation in the Republic of Macedonia by the service industries is stable and it has not changed significantly in the

observed period. The share of the activity of accommodation and food service activities is low and stagnant - in the structure of GDP at the level of the national economy, as well as within the service sector. Although the participation of the service sector in the creation of GDP in the Republic of Macedonia is dominant, the activity of tourism and hospitality has marginal significance. And not only that, the participation of activities directly and indirectly related to tourism (trade, transport, travel agencies and operators, etc.) is far from being the main driver of economic growth in the Republic of Macedonia.

Third, the service sector in the Republic of Macedonia is dominant, that is, the "production" service activities are represented by more than two thirds in business entities in the Republic of Macedonia, but they participate in the total turnover with one half. In accommodation facilities and food service activities, the fact that the number of enterprises is almost five times higher than the share in the total turnover shows that the dominant business entities are from the part of the small economy. This is not a big disadvantage given that for the underdeveloped economies small business firms should be carriers of growth, primarily because of their flexibility in times of crisis and financial insolvency. So the problem is not that there are small firms, but that they are not active enough (seasonal character).

Fourth, it can be concluded that accommodation and food service activities employ a significant number of workers in relation to all employees in service activities. This confirms the labor-intensive nature of the tourism and hospitality activities. Within accommodation and food service activities, the part of food preparation and servicing has dominant participation of employees. Employment in travel agencies has a higher degree of qualification in terms of employment in food preparation and servicing. An activity with a higher degree of qualification is less represented in the activities of tourism and hospitality.

Fifth, the average paid wage per employee in accommodation and food service activities is the lowest for all service activities of the Republic of Macedonia, except for the activity wholesale and retail trade.

Data for earnings in the service sector show that the labor force is directed more towards other service activities than towards accommodation and food service activities. Considering the great importance of human capital, this situation can have serious consequences in the long run from

the lack of quality professional labor force in tourism and hospitality, and hence further stagnation of this activity within the service sector. Thus, other service activities, primarily information and communication, financial activities and insurance, will be more significant for the development of the Republic of Macedonia, because they will absorb the skilled labor force.

Sixth, in the case of the Republic of Macedonia, it is positive that service sector is dominant in the investments, but within that, tourism and hospitality companies are marginalized. This means that the technological capability of other service activities is increasing, and potentially in the future will have a greater significance for the development, as well as in the GDP growth in the Republic of Macedonia. This will also affect the direction of the already limited financial resources available in the financial intermediaries in the economy of the Republic of Macedonia toward other service activities, and not to the activities in tourism and hospitality.

Seventh, although the share of investments as a stock is negative, investments as a flow are encouraging accommodation and food service activities. Within service activities in the last years, accommodation and food service activities have had the largest dynamics of net investments compared to other service activities. This can be an indication of positive shifts in the technical equipment of tourism and hospitality in the future, with all the positive consequences that arise from this.

Eighth, the increase in investment from year to year is associated with an increase in the current profitability of firms. Service activities generate more profit than other activities due to, among other things, the lower mass of paid wages (compensation of employees) in the service activities. However, the wages (compensation) increase may affect the increase in the engagement of the labor force, greater effectiveness, and even increased productivity. Unfortunately, there is a low level of wages, even a subsidence, for accommodation and food service activities, and it causes negative changes, of which the main problem is the lack of professional labor force.

References

1. Gogoski R. (2012). *Ekonomija*. Fakultet za turizam i ugostiteljstvo, Ohrid, pages 137-149.

2. Gogoski, R., Miloshevic, B., Naumov, K. (2018). Tourism and hospitality companies and the credit activity of the banks in the Republic of Macedonia. *14th International Scientific Conference on Service sector "INSCOSES 2018"*, Ohrid, Republic of Macedonia, 147-160. <http://www.uklo.edu.mk/tabs/view/7f64e16d0371e3900bd01765230701e7>
3. Gogoski, R., Naumov, K. (2018). Capital and investments in companies in tourism and hospitality in the Republic of Macedonia. *The Third International Scientific Conference tourism in function of development of the republic of Serbia - Tourism in the Era of Digital Transformation*, Thematic Proceedings, Vrnjačka Banja, Serbia, 657-672.
4. McConnell, C. R., Brue, S. L., Flynn, S. M. (2009). *Economics - Principles, Problems, and Policies*. eighteenth edition, McGraw-Hill Irwin, New York, chapter 39w.
5. National Bank of the Republic of Macedonia (NBRM). *Banking system Reports, annex, different years*, http://www.nbrm.mk/izvieshtai_zabankarskiot_sistiem_na_riepublika_makiedonija7b8cb632.nsp
6. Republic of Macedonia, State Statistical Office, *Statistical review No 3.4.17.02/885*, <http://www.stat.gov.mk/Publikacii/3.4.17.02.pdf>,
7. Republic of Macedonia, State Statistical Office, *Statistical yearbook of the Republic of Macedonia, 2018*. <http://www.stat.gov.mk/Publikacii/SG2018/09-NacEk-NatEc.pdf>
8. Republic of Macedonia, State Statistical Office, *Македонија во бројки за 2016*, http://www.stat.gov.mk/Publikacii/MakedonijaVoBrojki2016_mk.pdf
9. Republic of Macedonia, State Statistical Office, *Македонија во бројки 2018*, http://www.stat.gov.mk/PrikaziPublikacija_1.aspx?rbr=722
10. Republic of Macedonia, State Statistical Office, *Statistical yearbook of the Republic of Macedonia 2017*, <http://www.stat.gov.mk/Publikacii/SG2017/07-PazarNaTrudot-LabourMarket.pdf>
11. Republic of Macedonia, State Statistical Office, *Statistical yearbook of the Republic of Macedonia 2018*, <http://www.stat.gov.mk/Publikacii/SG2018/07-PazarNaTrudot-LabourMarket.pdf>

12. Republic of Macedonia, State Statistical Office, *Statistical review No 3.4.18.01/903*, <http://www.stat.gov.mk/Publikacii/3.4.18.01.pdf>
13. Sloman, J., Garratt, D. (2016). *Essentials of Economics*, seventh edition, Pearson Education Limited, Harlow, England, Chapter 8.

IMPACT OF TOURISM ON ECONOMIC DEVELOPMENT OF SERBIAN MOUNTAIN AREAS

Nikola Vidović¹; Milenko Dželetović²;

Abstract

Mountain tourism represents one of the strategically important segments of the economy and a significant potential for the development of tourism products and services. Kopaonik, Zlatibor and Stara planina, as the most representative mountain sites of Eastern, Central and Western Serbia, represent natural resources and tourist destinations for an intensive and sustainable development of this type of tourism.

Through the financial analysis of the existing tourist entities, the paper highlights positive examples and competitive advantages, as well as the impact of mountain tourism on employment and the perspective of further economic development at the mentioned mountainous sites.

A systematic analysis of existing tourist capacities shows the projection and vision of further valorization of mountain tourism, intensification of economic activity and space for creation of modern tourist infrastructure through investment packages and implementation of adequate development strategy.

Key Words: *mountain tourism, development, analysis, economy, Serbia*

JEL classification: *L83, M21, Z32*

Introduction

The development of mountain tourism in the Republic of Serbia in the last few years is evident. Valorizing the tourism potential of this type of tourism and consideration of the positive effects of development are reflected in the trend of employment growth, the effects on the overall profit, the launch of additional jobs as well as the growth trend of tourists who come to Serbian mountainous sites, building thus a positive image of

¹ Nikola Vidović, MA student, Military academy, University of Defence, Belgrade, 069/1441994, vidovicnikola.finance@gmail.com

² Milenko Dželetović, PhD, Faculty of security studies, University of Belgrade, Belgrade, milenkodz@telekom.rs

our country. The paper presents the most successful hotels from the sites of Zlatibor, Kopaonik and Stara planina, which generate economic activity, and at the same time promote the business of this sector of the economy. Sustainable development is the ability of future generations to sustain lifestyles similar to today's, and recognize at the same time that the way in which the global environment can be exploited can not be the same as in the past (Goeldner & Ritchie, 2009). Sustainable tourism is defined as a goal that can be applied to all types of tourist destinations (Yunis, 2006). Therefore, we can say that in today's conditions of life, sustainability becomes one of the main topics of tourism planning for further development (Prideaux, 2009). The concept of three dimensions of sustainability (economy, society, environment) is one of the most important because it has influenced sustainable tourism since the early 1980s (Aall, 2014). Considering the interpretations of certain authors (Orlovic-Lovren, et al., 2013), the number of sustainable tourism dimensions is expanding into four, including challenges, threats and risks such as climate change, taking into account the conclusions and provisions of the Davos Declaration (UNWTO, 2007). Dependence on economic growth is one of the main obstacles to creating sustainable tourism, along with exclusively quantitative growth that leads to an unsustainable decrease in destination capital (Hall, 2009 & 2010). Sustainable development as well as sustainable tourism are based on a holistic (comprehensive) approach and a knowledge-based platform, which means that all types and forms of tourism should be considered, provided that the approach is adapted in each specific situation (Weaver, 2006). The focus of the paper is placed on mountain destinations and on the situation on the mountains of Kopaonik, Zlatibor and Stara planina. By approaching the problem in this way, a suitable basis for constructive solutions for assessing the sustainability of the tourist destination is created, which is achieved by using, measuring and monitoring the indicators of sustainable development.

Concept of sustainable development in tourism

Sustainable tourism is a particularly applicable category in the tourism development of protected natural assets. These natural entities (national parks, nature parks and nature reserves) are becoming more and more popular areas for various segments of tourist offer. The principles of sustainable tourism regulate the place, role and mode of operation of tourism in protected areas. Sustainable tourism and ecotourism in the basics of their program have the main goal of maintaining a high level of

state of resources, and lower operating costs while preserving the quality of service and the experience of tourists in the future (BDO, 2013). The spectrum of the tourist destination must satisfy different needs of individual tourists. Therefore, it is necessary to bear in mind the different behavior of consumers in terms of selection and purchase of products. A tourist product is created on the basis of demand requirements, in order to match each individual service and infrastructure with the expectations and overall experience of each individual tourist. Each business entity has to adapt to the needs of consumers through the creation of such services, which will best meet the needs of tourists and, on the other hand, enable the acquisition of profits. The perception of value added by tourists must overcome the expectations that they have for invested money (BDO, 2013).

Carrying capacity of a destination is also an important concept in sustainable tourism (Candela & Figini, 2012). It means that planners need to determine optimal levels of use, bearing in mind the available resources: physical, natural, psychological, social and economic (Boniface & Cooper, 2009). The goal of sustainable tourism is to enable the enjoyment and acquisition of knowledge about natural, historical and cultural features of the environment while preserving the area, economic development and the development of well-being for local communities (Maksin et al., 2009). The concept of sustainable development needs to promote: the development of a high quality tourist product that satisfies both the current tourist needs and the needs of future generations; preservation and improvement of the quality of the environment and overall natural and cultural resources; economic development, social integrity and quality of life of the local population; preservation of cultural identity and traditional values as well as promotion of intercultural understanding and tolerance; creation and maximization of profits, as well as reduction of the unemployment rate and poverty of the local community and the population living at the destination and at last - strategic planning and management of the sustainable development of tourist destinations - in this particular case in this research of the mountain destination, with a focus on the sites of Stara Planina, Zlatibor and Kopaonik. The tourism industry has a strong influence both on the resources at the destination and on the local community of the destination (Goeldner & Ritchie, 2009), while at the same time the future of the tourist destination depends on the protection of these resources (Prideaux, 2009). One of the main challenges in the predominant issue of tourism sustainability is the decrease in the seasonality of tourist demand, where

the focus is on expanding the tourism offer of the destination throughout the year. Seasonality reduces the sustainability of tourism companies and their ability to offer year-round employment. Seasonality creates a serious pressure on local communities and natural resources at a certain point, while in other parts of the season, excess capacity is created. In this regard, the Republic of Serbia is making significant efforts to make the capacity utilization complete on an annual basis in mountain destinations, creating constructive and conceptual solutions for an adequate tourist offer - through a series of attractive tourist services and products (Paunovic, 2016).

Potentials of mountain tourism and development perspectives

Long-term sustainability of tourism in certain mountain destinations is questionable, among other things, due to climate change. Climate change will have a major impact on both mountain communities and ecosystems and mountain landscapes, and destinations need to address change, adaptation and innovation (Prideaux, 2009). Winter sports are one of the main activities of tourists in modern mountain destinations. Important activities are also adventure sports, spa / wellness, rock climbing, hiking, camping, hunting, fishing, and sightseeing. Looking at the situation in Serbia, biking, rafting, surfing, navigation, rowing, paragliding, cave exploration, zorbing and horse riding are also popular in mountain tourism activities as well (Plavša et al., 2009).

It is important to point out the need for business strategy to respond to changes in the tourism market, and at the same time to expand and improve the offer. One of the most commonly used strategies is to connect ski centers in order to create an improved experience with a wider range of opportunities for a tourist, while there are still places for small authentic ski centers that go through differentiation (Hudson, 2008). Visitor management is very important in protected mountain areas - where focus in this paper is placed on Stara planina, in order to preserve resources and provide enjoyment, fun and educational function for visitors (Middleton, et al., 2009). In this sense, this type of mountain attractions must be controlled to limit public access to only created, formal access points. Therefore, the sustainability of mountain destinations is an important aspect that can not be left solely to market forces, but new types of public-private partnerships must be made, with the strong support of the local community. Mountain tourism, despite all these problems, has good prospects in the future, as demand for mountain

tourism is constantly increasing, but it is important to emphasize that the number of new destinations is also growing (Prideaux, 2009).

Mountains are one of the most important natural attractions of modern tourism, through the characteristics of their geographical area, as well as through climate. Tourists are attracted by the magnificent mountain landscapes, because they make tourists feel modest and little and at the same time part of a larger, infinite continent, which is why wellness and spa centers are often located on the mountains (Smith & Puczko, 2009). Health and relaxation are the primary motivations for visiting mountains today. In addition, mountain tourism is a particularly important type of tourism in terms of sustainability, due to its role in global hydrological cycles, since most of the river system springs are found in the mountains, which in turn affects the plains (Prideaux, 2009). However, the issue of sustainability in mountain regions is often also a question with a strong political dimension (apart from dealing with the three dimensions of sustainable development) because arbitrary political boundaries often ignore geographical, cultural and biological boundaries. An important factor in considering mountain tourism is the fact that most of the resources on which the tourism industry is based, are publicly owned or managed by public companies (Veal, 2002). Many mountain regions are under the protection of the state as biosphere reserves, nature parks or national parks due to their natural and cultural capital (Boniface & Cooper, 2009). For this reason, the bearing capacities of mountain ecosystems are largely limited, and any excessive economic activity in these regions, including tourism, raises serious concerns about the impact on the cultural and natural environment, as well as on the respect of environmental laws.

Mountain tourism in Serbia

The Republic of Serbia is one of the Eastern European countries with the greatest potentials for the development of mountain tourism (BDO, 2013). According to the Strategy for the Development of Tourism 2016-2025, the analysis determined the exceptional progress in the development of existing products and services that are part of the offer of mountain tourism, at tourist destinations that include Kopaonik, Stara planina and Zlatibor, but also highlight the shortcomings of innovative solutions concerning more comprehensive tourism offers and creation of new products in accordance with competitive market trends, which should also

be in line with changes in the motives and needs of tourists today (www.mtt.gov.rs).

Primary tourist attractions are most often landscape areas - lakes, river banks, peaks and slopes of mountains, forests. They are often characterized by rich ecosystems (Horwath, 2009). The direct impact of tourism development is reflected in the degradation of such ecosystems. For example, it is considered that in developed tourism economies, mass tourism and recreation are the biggest threat to the preservation of mountain areas. In order to obtain firewood or expand the space for different purposes, the local population cuts the forests and thus destroys vegetation. In addition, such tourism usually involves poorly planned and intensive land use. Therefore, the physical impact of tourism's development on the degradation of natural and cultural heritage is reflected in inadequate infrastructure development and over-construction, destruction of forests and intense and unsustainable land use, as well as destruction of vegetation, land and monuments by increased physical traffic (unsustainable number) of tourists (www.mtt.gov.rs). Due to these facts, special care must be taken when using certain instruments and measures of the development of certain mountain destinations, especially in the subject that have been taken for the sample in the analysis in the paper. The multiplicative function of tourism, considering from an economic point of view, is reflected in circular consumption through the economic activities of tourism consumption, with an impact on its flow and development that continues even after the basic circulation of resource consumption has been achieved, where in the observed mountain regions it is of utmost importance to further reach the level of effectiveness of the tourist offer (Vidović & Beriša, 2018).

Table 1: *Analysis of domestic and foreign arrivals and overnights at mountains of Zlatibor, Stara planina and Kopaonik in period 2013-2017*

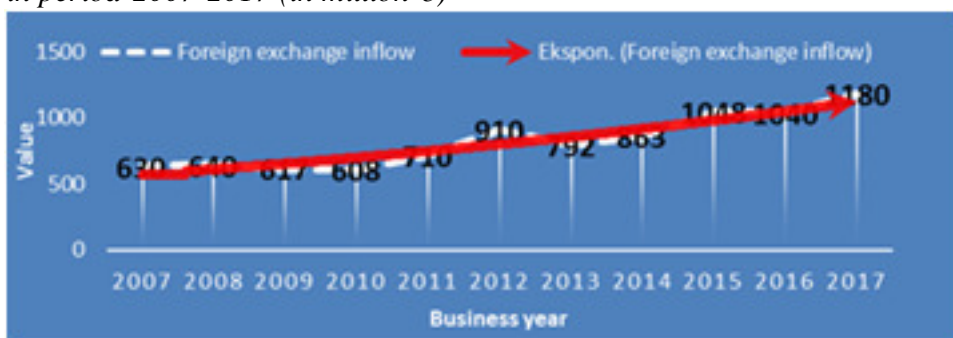
Indicator		Arrivals			Overnights			Beds
Mountain	Year	Foreign	Domestic	Total	Foreign	Domestic	Total	
Zlatibor	2017	46724	148448	195172	132188	581419	713607	6030
Kopaonik		23761	107417	131178	104991	445971	550962	6686
Stara planina		3370	13538	16908	10333	46092	56425	1072
Zlatibor	2016	42501	136119	178620	120014	531784	651798	6306
Kopaonik		20371	97571	117942	88975	406778	495753	4563
Stara planina		4456	11009	15465	12897	41138	54035	1074
Zlatibor	2015	33879	114493	148372	100590	456161	556751	5936
Kopaonik		14745	87453	102198	64438	362945	427383	5404
Stara planina		4236	12905	17141	12031	44555	56586	927
Zlatibor	2014	24292	87671	111963	78578	348253	426831	5110
Kopaonik		10937	61496	72433	51370	271763	323133	4437
Stara planina		2749	9570	12319	8636	34291	42927	834

Zlatibor	2013	21118	93858	114976	67415	388344	455759	4814
Kopaonik		10074	70301	80375	47553	293746	341299	4221
Stara planina		2256	10155	12411	5893	30014	35907	409

Source: *Authors' calculation based on data from Statistical Yearbooks (www.stat.gov.rs)*

The main potentials of the future development of mountain tourism are certain subgroups of tourism, such as health tourism, which is certainly the largest long-term potential of domestic mountain centers, which provides mountain centers with the possibility of fast positioning not only on the domestic but also in the foreign market, which also requires the construction of a quality tourist infrastructure. It is a unique competitive advantage that can not be offered by other mountain centers in Europe and the world. Then, ecotourism offers mid-term and long-term development opportunities and opportunities to fund protected zones, because mountain centers at Stara Planina, Zlatibor and Kopaonik have a unique flora and fauna. Cultural tourism that is exceptional at the analyzed sites, where by adequately differentiating between small market niches with special interest and large groups that would include cultural and historical monuments in their holiday program, they maximize the total income. Thematic and adventurous tourism, which is a growing market niche, would achieve a growth trend, and these two forms would act as catalysts for development (BDO, 2013).

Figure 1: *Foreign exchange inflow from tourism in the Republic of Serbia in period 2007-2017 (in million €)*



Source: *Vidović et al, 2019*

In Figure 1, where foreign exchange inflow from tourism in Serbia in period 2007-2017 business year is shown, we can notice that in the last decade Serbia accomplished growing trend (Vidović, et al, 2019). Taking into account the foreign exchange inflow, and the amount of revenues

generated from tourism in Serbia, it is recognized that the set of measures is taken and that all government entities and the private sector have a lot of influence on the development of tourism entities and capacities in Serbia.

Financial analysis

The paper deals with a comparative analysis of the financial performance of most successful hotels through the analysis of the value of liquidity, profitability and indebtedness indicators.

Table 2: *Comparative financial analysis of hotels from 2014 to 2017*

No.	Hotel company	INDICATOR	Business year			
			2014	2015	2016	2017
1	<i>MK Mountain resort doo</i>	RATIO OF CURRENT LIQUIDITY	0.1763	0.2253	1.0909	2.2549
	<i>Mona hotel management doo</i>		0.3373	0.2845	0.4390	0.3046
	<i>Stara Planina Resort doo</i>		0.3349	0.5328	0.5335	0.9711
2	<i>MK Mountain resort doo</i>	BUSINESS PROFIT RATIO	-0.0271	0.1512	0.1832	0.2084
	<i>Mona hotel management doo</i>		0.1856	0.2280	0.3054	0.2136
	<i>Stara Planina Resort doo</i>		-0.0752	0.1058	0.0895	0.0986
3	<i>MK Mountain resort doo</i>	TURNOVER RATIO OF TOTAL ASSETS	0.1917	0.2170	0.2591	0.2349
	<i>Mona hotel management doo</i>		0.3904	0.4324	0.5072	0.5452
	<i>Stara Planina Resort doo</i>		3.7544	2.9743	3.6361	3.1176
4	<i>MK Mountain resort doo</i>	DEBT RATIO	0.5984	0.6611	0.7301	0.7015
	<i>Mona hotel management doo</i>		0.6035	0.6495	0.7607	0.7191
	<i>Stara Planina Resort doo</i>		0.4989	0.2775	0.3539	0.2593
5	<i>MK Mountain resort doo</i>	LEVERAGE	1.6710	1.5125	1.3696	1.4255
	<i>Mona hotel management doo</i>		1.6570	1.5396	1.3145	1.3906
	<i>Stara Planina Resort doo</i>		2.0045	3.6030	2.8259	3.8566
6	<i>MK Mountain resort doo</i>	ROE (Return on Equity)	-0.0879	0.0970	0.0789	0.2035
	<i>Mona hotel management doo</i>		0.0707	0.1220	0.1627	0.1057
	<i>Stara Planina Resort doo</i>		-0.1938	0.2585	0.7242	2.3828

7	<i>MK Mountain resort doo</i>	ROA (Return on Assets)	-0.0052	0.0328	0.0475	0.0490
	<i>Mona hotel management doo</i>		0.0725	0.0986	0.1549	0.1165
	<i>Stara Planina Resort doo</i>		-0.2825	0.3147	0.3256	0.3075

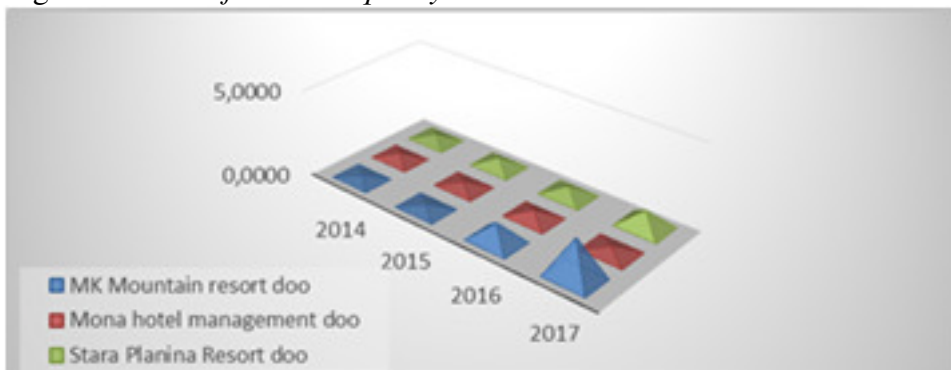
Source: *Authors' calculation*

Information and data for analysis are obtained from the public financial statements downloaded from the Agency for Business Registers (APR) website - for studied sample of three hotels from Kopaonik, Stara planina and Zlatibor. As shown in Table 2, there is comparative financial analysis of Stara Planina Resort doo, MK Mountain resort doo – Kopaonik and Mona hotel management doo - Zlatibor.

Discussion

Regional and local development, as well as the trend of employment growth, depends on the efficient and effective operation of the entities engaged in tourism activity, as is the case with the analyzed subjects. By analyzing the business operations, with a focus on business elements, such as all inputs, the ability to create economic growth, strong and weak business, which integrate and deliver added value to the consumer at the end of the value chain, the choice of strategic concepts will also be influenced and the valorization of the available resources as well as the satisfaction of tourists and other potential consumers will be given (Petrović & Dželetović, 2016).

Figure 2: *Ratio of current liquidity*



Source: *Authors*

Unfair competitive conditions for hotel companies from the tourism sector can create exactly the existing differences in location and product quality. Exceptional value is the test of internal efficiency in hotel operations, so competition can be imperfect, and managers are not forced to be effective to survive. Differences in the hotel location in the tourist destination and the differences in the quality of hotel products and services from Kopaonik, Zlatibor and Stara planina in relation to the diversity of the dimensions of the area and the locality, are also the subject of comparison (Vidović & Dželetović, 2018). Liquidity ratios are indicators showing that certain company, in this case a hotel, might experience financial problems in business operations, and that a company was undercapitalized. Observing the value of the coefficient, it is noted that the level of liquidity in MK Mountain Resort is constantly increasing, while the other two hotels vary, as it is showed in Figure 2. The share of business profits in business income is showed by this indicator, and the participation of operating expenses is a difference of up to one hundred percents. If a hotel reduces operating expenses it is a certain way of business profits maximization.

Figure 3: *Business profit ratio*



Source: *Authors*

It can be noticed that the hotels at Stara Planina and Kopaonik, in 2014 had negative values, which was a sign that managers needed to apply a different business policy and make a positive result, which they succeeded in the following years, where a continuous growth trend was established at the hotel at Kopaonik, and the growth with mild variations at the hotel at Stara Planina. The hotel at Zlatibor had a constant positive business, and extremely high value of the coefficient, which is commendable because it affects the development of the site itself. The indicators return on equity - ROE and return on assets – ROA, represent

the indicators of profitability, that is, the performance of the business, in which the values of these are specifically reduced to the requirement to achieve the maximum profit and return from the least engaged funds in the business process.

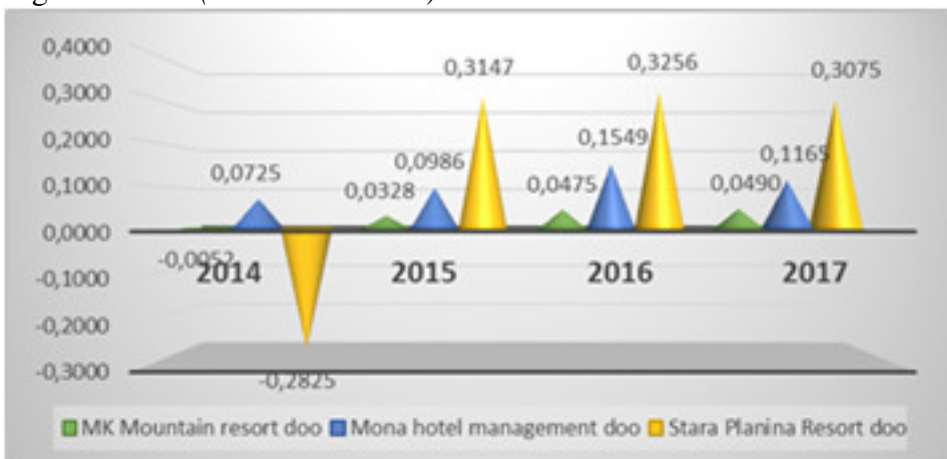
Figure 4: *ROE (Return on Equity)*



Source: *Authors*

Rate of ROE is the return on capital invested, which is obtained when the operating result is allocated to the capital, i.e. it is an indicator of the profitability of own capital. This indicator shows how much profit is generated on the invested equity capital, or how much the company will earn by investing the invested funds of the shareholders. The highest level of ROE is recorded by hotel Stara Planina Resort doo; this is followed by Mona hotel management doo, and last MK Mountain resort doo. The Stara Planina Resort Hotel had negative results in 2014, but it managed the problems, and made positive results with constant growth of revenues.

Figure 5: *ROA (Return on Assets)*



Source: *Authors*

The rate of return on total assets is the return on the invested assets, i.e. the total assets involved, or the degree of efficiency. This indicator shows how much the company's management manages effectively in order to maximize profits. In our case, MK Mountain Resort and Stara Planina Resort doo had negative results in 2014, but after that year, in 2015, 2016 and 2017, their business improved under the control of management, many things improved, which also achieved growth.

According to Table 3, details are identified that feature the two most attractive mountain destinations in Serbia, Zlatibor and Kopanik, viewed through the prism of the cost side. Zlatibor, as a tourist destination, rests on the traditional hospitality, which is also reflected in the image of the destination, which is more focused on authenticity, hospitality, immediacy and cheap service compared to Kopaonik. In addition, Zlatibor also has very well developed one-day excursions as a tourist product at the destination. Nevertheless, tourists perceive it as somewhat overcrowded, due to the large number of tourists.

Table 3: *Costs of tourists on mountain destinations - a display of Zlatibor and Kopaonik*

Mountain	Category												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Arrival and departure	Accommodation	Private carriage during vacation	Public transportation during vacation	Food and drink	Organized excursions	Rentning or sports equipment	Cable cars	Cultural get-togethers and fun	Relaxation, wellness, health, sport	Shopping	Other expenses	Total cost
Zlatibor	4.75	11.1	1.43	1.26	6.43	0.55	0.24	0.09	0.49	0.74	4.45	0.23	32.3
Kopaonik	6.66	8.53	2.59	0.11	9.59	0.4	0.14	0.5	1.14	1.17	5.87	1.33	38.7

Source: Grabler & Mamula, 2011

Tourists on Kopaonik spend more in almost all categories of expenses, except in accommodation, public transport during the trip, organized excursions and renting sports equipment. Kopaonik should focus on the development of the summer season, because it is completely unused part

of the season, while Zlatibor should invest in infrastructure in order to be able to manage a large number of tourist arrivals. Kopanik, on the other hand, has a developed advantage in the image of the tourist destination itself - viewed as an elite, and different perception of the environment, which is rather regulated by regulations. Daily costs at Kopaonik are higher than at Zlatibor due to these facts.

Another aspect of development must be seen and encompassed, since the global tendencies of tourism development and hotel industry have an impact on the characteristics of the workforce in the hospitality industry. Employees in the hospitality industry and catering industry represent an important development factor, but they are also a limiting factor of development in cases where the corresponding human potentials are missing - what is the characteristic of this sector of the economy in Serbia. Human resources in the hospitality industry are human capital that has the potential to realize certain productivity of labor with physical capital and to generate income or a new value in the labor market for the labor force.

The fluctuation of employees and the departure of a large number of skilled labor in recent years, as well as the faster development of the service sector and the development of the private sector, and the arrival of foreign companies that have raised the standard of workforce quality and knowledge and skills of employees have widened the gap between supply and demand for labor force for the needs of the tourism sector in the Republic of Serbia. Due to the evident needs of the tourism sector for sustainable development, the educational system in the State and tourism industry associations, and managers in hotel companies, should ensure that the tourism economy receives qualified and professional workforce, employees with the necessary knowledge, skills and competencies (Blagojević & Redžić, 2009).

Conclusion

In order to achieve adequate tourism development of a particular mountain destination, it is necessary to pay special attention to all factors of this development. The existing demographic situation of the site must be considered, and in order to activate the local community, business must be positive. The analysis has determined that there are potentials for further development and the observed hotels are good examples of successful business operations. We note that there are a number of

shortcomings, where we emphasize the insufficiently adapted infrastructure, unrealized and impracticality of existing plans, which in part hamper the preservation of local biodiversity. The deficiency of professional staff also affects the not so positive image, because the improvement of these elements can contribute significantly to the development, and set the base for sustainable mountain tourism.

By valorizing the tourist potential in these Serbian mountains, with respect and protection of ecological factors, the economic effects of this branch of tourism will be maximized for local community, and country, and will establish a good practice of preserving these beauties for future generations, thus providing a comprehensive image of Serbia, as a country that can offer a wide range of tourist activities, which also takes care of their resources that unfortunately are irrecoverable if destroyed.

References

1. Aall, C. (2014). Sustainable Tourism in Practice: Promoting or Perverting the Quest for a Sustainable Development?, *Sustainability*, No. 6, pp. 2562-2583.
2. Agency for Business Registers (APR) – *Financial statements*, <http://www.apr.gov.rs/>, (20 February 2019).
3. BDO Business advisory d.o.o. (2013). *Feasibility study for the proclamation of the tourist area on Stara Planina*, pp. 1-330, www.jpstaraplanina.rs, (13 February, 2019).
4. Blagojević S., Redžić V. (2009). Employment in hotel industry in the Republic of Serbia as an indicator of the state of human resources in domestic hotel industry, *Proceedings of the Department of Geography, Tourism and Hotel Management*, No. 38/09, pp. 252-264.
5. Boniface, B. & Cooper, C. (2009). *Worldwide Destinations: The Geography of Travel and Tourism*. Oxford: Elsevier Ltd.
6. Candela, G. & Figini, P. (2012). *The Economics of Tourism Destinations*. Springer: Berlin.
7. Goeldner, C. R. & Ritchie, J. R. B. (2009). *Tourism Principles, Practices, Philosophies*. Hoboken, New Jersey: John Wiley & Sons, Inc.

8. Grabler, K. & Mamula, T. (2011). Serbia Guest Survey, Belgrade: *Project Support to Implementation of the National Strategy for Tourism*.
9. Hall, C. (2009). Degrowing tourism: Decroissance, sustainable consumption and steady-state tourism. *Anatolia: International Journal of Tourism and Hospitality Research*, Tom 20, pp. 46-61
10. Hall, C. M. (2010). Changing paradigms and global change: From sustainable to steady-state tourism. *Tourism Recreation Research*, Tom 35, pp. 131-143.
11. Horwath HTL (2009). *Master plan for tourist destination – Kopaonik, Final Report*, pp. 1-213, www.mtt.gov.rs, (11 February, 2019).
12. Hudson, S. (2008). *Tourism and Hospitality Marketing - A global Perspective*. London: SAGE Publications.
13. Maksin, M., Pucar, M., Korać, M. & Milijić, S. (2009). *Management of natural and cultural resources in tourism*. Belgrade: Singidunum University.
14. Middleton, V. T., Fyall, A., Morgan, M. & Ranchhod, A. (2009). *Marketing in Travel and Tourism*, Oxford: Elsevier.
15. Ministry of trade tourism and telecommunications (2016). *Strategy of tourism development of Republic of Serbia, for period 2016.-2025*. Retrieved from www.mtt.gov.rs, accessed on February 15th, 2019.
16. Orlović-Lovren, V., Crnčević, T. & Milijić, S. (2013). Tourism Development in Serbia-on the Way to Sustainability and European Integration. *SPATIUM International Review*, No. 30, pp. 47-53.
17. Petrović P., Dželetović M. (2016). Development of tourism in the Danube region using value chain, *Danube strategy of European union in 21st century*, Institute for international policy and economy, Belgrade, pp. 112-122.
18. Plavša J., Romelić J., Vuksanović, D. L. (2009). Active Holiday in Mt. Zlatibor County. *TURIZAM* Vol. 13 Issue 1, pp. 28-44.

19. Prideaux, B. (2009). *Resort Destinations-Evolution, Management and Development*. Oxford: Elsevier.
20. Punović I. (2016). *Comparative analysis of the sustainable development of mountain tourism in the Alpine and Dinaric regions*. University Singidunum, Belgrade.
21. Smith, M. & Puczko, L. (2009). *Health and Wellness Tourism*. Oxford: Elsevier.
22. *Statistical Yearbooks*, www.stat.gov.rs, (13 February 2019).
23. UNWTO – United Nations World Tourism Organization (2007). *Davos Declaration Climate Change and Tourism Responding to Global Challenges*, Davos: United Nations World Tourism Organisation.
24. Veal, A. J. (2002). *Leisure and Tourism Planning and Policy*. Oxford: CABI Publishing.
25. Vidović N., Beriša H. (2018). Potential and perspectives of rural tourism in development of the Serbian economy: Case study – Vojvodina farmsteads. *TISC - Tourism International Scientific Conference Vrnjačka Banja*, 3(2), pp. 575-590.
26. Vidović N., Beriša H., Dželetović M. (2019). Economic analysis of the development of cultural tourism in Serbia: Case study – Novi Sad capital of culture, *4th Multidisciplinary Conference "New Perspective on Education, Heritage and Cultural Values" ICECH*, Budapest.
27. Vidović N., Dželetović M. (2018). Comparative financial analysis of indicators of business success of hotel chains: case study Serbia and Croatia, *5th International Scientific Conference Agrobusiness MAK-2018 "European road to success" IPARD 2015-2020*, Kopaonik, pp. 395-407.
28. Weaver, D. (2006). *Sustainable tourism*. 1st ur. Oxford: Butterworth – Heinemann, Elsevier.
29. Yunis, E. (2006). *Tourism in SIDS: a key factor for economic, social and environmental sustainability*. London, UK: World Tourism Organization.

TOURISM DEVELOPMENT LIMITATIONS AND TOURIST TRAFFIC ANALYSIS IN SOUTH AND EASTERN SERBIA

Dragana Ilić¹; Predrag Stamenković²;

Abstract

The aim of this paper is to assess the current problems and limitations in the development of tourism in the region of South and Eastern Serbia, as well as analysis of tourist traffic in this region. There are numerous natural and anthropogenic tourist values on the territory of the South and East Serbia region, which represent the comparative advantages of tourism development. This creates a certain level of competitiveness of the region, but this level is not satisfactory. In this paper, the measures and activities to be undertaken will be emphasized in order to improve the quality of the tourist offer, enable and promote the development of tourism in this region. These measures and activities should lead to creation of diversified tourist offer, to faster development of tourism and increase of tourist traffic in the destinations of this region. It is therefore important to identify both affirmative as well as limiting factors of tourism development in this area and to critically approach their analysis in order to improve the tourism development and raise the level of destinations competitiveness in the South and Eastern Serbia region.

Key Words: *tourism, development, tourist traffic, South and Eastern Serbia*

JEL classification: Z32

Introduction

In the South and Eastern Serbia region each district has certain specificities in terms of demographic characteristics, natural and anthropogenic tourist values and opportunities for tourism development.

¹ Dragana Ilić, Ph.D., assistant, Higher Business School of Vocational Studies in Leskovac, Vlade Jovanovića 8, Leskovac, + 381 16 254 961, + 381 16 242 536, ilic.dragana@vpsle.edu.rs

² Predrag Stamenković, Ph.D., professor, Higher Business School of Vocational Studies in Leskovac, Vlade Jovanovića 8, Leskovac, + 381 16 254 961, + 381 16 242 536, stamenkovic.predrag@vpsle.edu.rs

The richness and diversity of natural and anthropogenic tourist values, points to the possibility for the development of different types of tourism. In the region, therefore, there is a basis for the development of different types of tourism that can encourage regional development of tourism and to highlight the comparative and competitive advantages of the region.

In order to create a quality tourist offer and an appropriate performance in the domestic and international tourist market, all incentive factors need to be identified and used. Apart from the consideration of affirmative factors in the development of tourism, it is especially important to identify the limiting factors in this development and to critically approach their analysis. In doing so, it is necessary to eliminate or mitigate the effects of limiting factors in the tourism development. Despite the significant potentials of South and East Serbia, the development of tourism has not been at a satisfactory level which is contributed by numerous problems and factors that limit the tourism development in this area. Some of the most significant limiting factors are: unfavorable demographic trends, underdeveloped general infrastructure, insufficiently developed tourism infrastructure and suprastructure, inadequate marketing concept in promotion of tourist offer, insufficient financial support, etc.

These problems and constraints make the development of tourism more difficult and must be overcome in the coming period. Appropriate measures and activities need to be taken to prevent such restrictions from complicating or, in the long run, preventing the development of tourism in the region of South and East Serbia. All these activities should increase the level of competitiveness of destinations in the region of South and East Serbia in the tourism market. In many cities and municipalities of the region, measures are being implemented aimed at improving the tourist offer and increasing the tourist traffic. However, more intensive implementation of these measures and activities, as well as the planning of new measures and activities is needed. Continuous improvement of the tourist offer is aimed at better positioning of destinations on the market, growth of arrivals and overnights of domestic and foreign tourists and growth of tourism revenues.

Consideration of the current tourism development problems in South and Eastern Serbia

Despite the significant potentials of the region of South and East Serbia, tourism development has not been at a satisfactory level in the past. Many

problems and factors that limit the development of selective forms of tourism in this area have contributed to this. It is difficult to improve competitiveness, if the strengths, weaknesses, opportunities and threats in tourism market cannot be identified, understood and measured (Stamenković & Ilić, 2017, 642).

According to the Gašić (2016) basic demographic problems in the region of South and Eastern Serbia are negative birth rate, emigration, depopulation, senilization, changes in the ethnic structure of the population and disorders in the territorial distribution (p. 157). According to census data from 1971 to 2011, the birth rate is constantly decreasing from 4.8 promilles in 1971 to -8.0 promilles in 2011 (Mitrović, 2015). The lowest birth rates were recorded in the municipalities of Crna Trava, Babušnica, Gadžin Han, Ražanj, Svrljig and Blace (Gašić, 2016, p. 158). One of the serious demographic problems in the region of South and Eastern Serbia is the emigration of the population. The emigration of inhabitants leads to consequences related to the number of inhabitants and affects population aging (Rašević, 2016). Gašić (2016) points out that the largest demographic discharge is recorded in Pčinja, Bor and Zaječar districts, while the dramatic situation in the municipality of Crna Trava (p. 159). Senilization (aging population) is a particular problem in the region of South and Eastern Serbia. In addition, there are also changes in the ethnic structure of the population that cause sociological, cultural and political consequences in this region. The spatial distribution of the population in the region of South and Eastern Serbia is uneven. While the concentration of population is emphasized in certain districts and municipalities, in other districts and municipalities there is a tendency of decreasing the number of inhabitants. Consequently, special attention should be paid to the difficult demographic situation in the region of South and Eastern Serbia and solving demographic problems that limit the tourism development and hamper the overall development of the region. One of the main limiting factors in the development of selective forms of tourism is the underdeveloped general infrastructure. These problems are reflected in inadequate transport infrastructure (unsatisfactory quality of the road network), communal infrastructure (inadequate irrigation systems, inadequate sewerage system and inadequate municipal waste management), shortcomings in the field of telecommunications (a small number of telephone subscribers in rural areas, needs to work on modernization of telephone networks and better coverage in the territory of this region). The limitations in the creation of tourist products and quality tourist offer are also in the insufficiently

developed tourist infrastructure and suprastructure. Problems in these areas represent a limiting factor in the tourism development, so it is necessary to improve and modernize the general infrastructure. In the current tourism development in the region of South and Eastern Serbia, obsolete and inadequate marketing concept has been used when it comes to tourist attractions, tourist products and tourist destinations. A successful development of tourism in modern conditions requires well-designed, planned, organized and realized marketing activities. These activities should inform tourists with tourist offer programs of certain parts of the South and Eastern Serbia region that will meet their needs, requirements and wishes. In order to achieve the desired results in this area, it is necessary to have a good marketing concept and performance by the subjects of the tourism industry whose main task is to promote the tourist offer. Regardless of the financial support for the development of tourism from domestic and foreign sources, the lack of financial resources remains one of the constraints in the development of tourism. Despite the loans, subsidies and grants coming from the respective ministries for financing various tourism development projects, as well as in support of the development of tourism coming from the budgets of local governments, and the investments of domestic and foreign private companies, insufficient financial resources continue to represent one form of restrictions in tourism development in the region of South and Eastern Serbia. In order to enable the progressive development of tourism that would contribute to the diversification and promotion of the regional economy, an increase of employment rate and the reduction of depopulation, it is necessary to determine the factors that influence the competitiveness of tourism in this region (Djeri et al., 2018).

In addition to the mentioned problems and limitations, the Tourism Development Strategy of the Republic of Serbia for the period 2016-2025 lists the following weaknesses that hinder and limit the development of tourism (page 30):

- Failure to recognize the importance of tourism as an important factor in increasing employment, economic growth and regional development;
- Undeveloped incentive measures, non-financial and financial support of business entities in tourism;
- Insufficient investment;
Lack of general infrastructure within the underdeveloped tourist areas;
Outdated inadequate model of tourism and marketing management in tourism;

Lack of cooperation between the public and the private sector in product development and the establishment of an integrated value chain;

- Insufficient participation of local self-governments in tourism planning and development.

According to Blagojević (2009), the concept and goals of tourism development are defined by the basic goals of social and economic development, based on which the economic and tourist policy of the country is defined (page 197). The Tourism Development Strategy of the Republic of Serbia for the period 2016-2025 (2016) states that it is necessary to define the priority products that can be realistically commercialized in the next five years. Then it is necessary to identify destinations that these products have or can develop in the specified period. After defining priority products and identifying destinations, areas of intervention in support of tourism development can be identified. In the development of tourism, the interests of tourists, tourist service providers and the local population must be taken into account (Stojanović & Ilić, 2016).

Tourist traffic analysis in the districts of South and Eastern Serbia

Tourist traffic is a summary indicator of scale, dynamics and structure of tourist movement. Below is an analysis of the tourist traffic in the districts of South and Eastern Serbia. The number of arrivals and overnight stays by districts of the region, the number of arrivals and overnight stays of domestic and foreign tourists, as well as the total number of arrivals and overnight stays in each district of the region, in the period from 2005 to 2015, is given.

Table 1 shows the total number of tourist arrivals in the districts of South and Eastern Serbia in the period from 2005 to 2015. The smallest number of tourist arrivals from 2005 to 2015, observed in the districts of the South and Eastern Serbia region, was recorded in the Pirot district. The exception is the year 2015, when a smaller number of tourist arrivals in relation to the Pirot district was recorded in the Danube District. In the observed period, the leading districts in terms of the number of tourist arrivals were Zaječar and Nišava districts. In the year of 2006, Bor District was the leading district by the number of tourist arrivals, when 74,771 arrivals were registered. In the years of 2005, 2007, 2008, 2012, 2013 and 2014, the highest number of tourist arrivals was in the Zaječar

district. Nišava district stands out as the leading county in the region of South and Eastern Serbia by the number of tourist arrivals in 2009, 2010, 2011 and 2015. The highest number of tourist arrivals in the period from 2005 to 2015 was realized in 2007 in the Zaječar district (96,539 arrivals).

Table 1: *Tourist arrivals by districts of the region of South and Eastern Serbia in the period from 2005 to 2015*

YEAR	Brančevo District	Danube District	Bor District	Zaječar District	Nišava District	Pirot District	Toplica District	Jablanica District	Pčinja District
2005	27.125	23.670	69.224	77.640	71.155	11.977	24.588	19.824	26.921
2006	22.485	27.530	74.771	73.437	66.337	12.784	21.350	17.271	26.319
2007	31.367	31.073	71.205	96.539	90.238	10.151	20.091	21.262	29.343
2008	44.781	31.665	64.843	94.398	91.383	10.536	24.026	21.679	29.023
2009	28.586	34.425	62.985	80.507	89.196	9.601	22.151	19.655	24.132
2010	22.131	25.396	66.477	70.790	90.783	8.266	23.377	20.891	24.442
2011	24.690	17.952	69.307	75.282	91.618	9.361	28.547	20.781	24.511
2012	30.490	13.815	68.023	82.177	79.631	9.455	27.887	20.539	21.689
2013	32.569	17.282	59.449	82.659	64.990	9.181	24.208	23.416	21.055
2014	39.885	12.572	56.789	70.769	70.413	11.432	22.990	22.397	22.282
2015	45.154	10.617	63.524	81.309	83.292	11.589	27.170	20.790	18.333

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 2 provides an overview of the number of overnight stays in the districts of South and Eastern Serbia in the period from 2005 to 2015. Data in the table shows that the Zaječar District achieved by far the largest number of tourist nights. Since 2005 (469.199 overnight stays), the number of tourist nights in the Zaječar District increased until 2007, when the highest number of overnight stays in the observed ten-year period (526.410 nights) was realized. Since the year of 2007, the number of tourist nights in this district was decreasing until the year of 2011 when it achieved a greater number of nights compared to 2010, after which the number of overnight stays was again reduced. In the year of 2015, 149,290 overnight stays were recorded in this district compared to 2005. The second district according to the number of realized overnight stays from 2005 to 2013 was Nišava District. In the years of 2013 and 2014, the second place according to the number of overnight stays was occupied by Bor District, in 2015 Nišava District was again in second place according

to the number of overnight stays. The smallest number of overnights in this ten-year period was recorded in the Danube District (2005, 2011, 2012, 2014 and 2015) and the Pirot district (2006, 2007, 2008, 2009, 2010 and 2013).

Table 2: *Overnight stays by districts of the region of South and Eastern Serbia in the period from 2005 to 2015*

YEAR	Braničevo District	Danube District	Bor District	Zaječar District	Nišava District	Pirot District	Toplica District	Jablanica District	Pčinja District
2005	78.553	30.996	167.083	469.199	221.973	37.761	158.620	89.341	126.084
2006	79.698	40.899	172.876	451.836	231.753	31.402	223.505	76.454	118.918
2007	63.175	36.650	157.229	526.410	326.522	23.292	105.801	94.113	139.515
2008	105.549	39.833	153.222	518.070	337.371	28.579	130.496	97.469	131.146
2009	65.523	50.733	153.302	443.521	320.006	24.470	119.770	87.964	116.167
2010	46.559	31.776	173.606	403.158	317.370	18.610	118.841	88.650	116.137
2011	49.466	21.894	172.440	439.313	302.658	31.674	141.891	82.075	109.110
2012	65.673	24.674	164.169	431.066	290.984	26.367	151.360	73.036	88.105
2013	70.840	21.127	146.528	426.906	126.393	18.556	133.303	81.546	80.978
2014	86.159	17.782	136.252	319.554	134.990	28.319	135.179	72.910	64.803
2015	106.524	20.666	146.759	319.909	158.919	24.393	157.013	70.279	62.536

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 3 shows the number of arrivals and overnight stays of domestic and foreign tourists in Braničevo District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that the share of domestic tourists in relation to foreign tourists in the total number of arrivals and overnight stays is higher. From 2005 to 2010, the number of tourist arrivals varied, so that from 2010 this number was gradually increasing and in 2015 it amounted to 37,857 arrivals. Time has not reached the largest number of tourist arrivals that was recorded in 2008 (41,718 arrivals). Number of overnight stays is reduced in 2007 compared to 2006 and 2005. In 2008 there was a significant increase in the number of tourist arrivals (105,549 arrivals) and in 2009 a significant decrease in the number of tourist arrivals compared to 2008. A decrease in the number of tourist nights was recorded in the year of 2010, after which the number of overnight stays of tourists was gradually increasing, so that in 2015, 106,524 nights were realized, which is the largest number of overnight stays in the Braničevo District in the observed ten-year period.

Table 3: *Tourist arrivals and overnight stays in Braničevo District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	27.125	24.964	2.161	78.553	72.722	5.831
2006	22.485	20.931	1.554	79.698	68.543	11.155
2007	31.367	29.477	1.890	63.175	57.549	5.626
2008	44.781	41.718	3.063	105.549	100.705	4.844
2009	28.586	25.389	3.197	65.523	56.146	9.377
2010	22.131	19.606	2.525	46.559	41.478	5.081
2011	24.690	21.533	3.157	49.466	38.775	10.691
2012	30.490	25.861	4.629	65.673	53.057	12.616
2013	32.569	28.231	4.338	70.840	62.624	8.216
2014	39.885	33.186	6.699	86.159	69.769	16.390
2015	45.154	37.857	7.297	106.524	89.766	16.758

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 4 shows the number of arrivals and overnights of domestic and foreign tourists in the Danube District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that in the total number of arrivals, the share of domestic tourists in relation to foreign tourists in the period from 2005 to 2014 is higher. A higher number of foreign tourist arrivals in relation to domestic ones was recorded in the years of 2014 and 2015. From the 2005 to 2010, the number of tourist arrivals gradually increased. From 2010 to 2015, the number of tourist arrivals was gradually decreasing (the exception is 2013 when the number of tourist arrivals was higher than in 2012) in order to have 10,617 tourist arrivals in 2015, which is 2.23 times less than in 2005. This is the smallest number of tourist arrivals recorded in Danube District in the period from 2005 to 2015.

In the total number of overnight stays in Danube District, the share of overnight stays of domestic tourists was higher in relation to foreign tourist nights. Foreign tourists realized more overnight stays than domestic tourists only in the years of 2009, 2014 and 2015. The total number of tourist nights varies in the observed ten-year period. In addition, the largest number of tourist overnights in Danube District was realized in the year of 2009 (50,733 overnight stays), and the smallest total number of tourist nights was realized in the year of 2014 (17,782 overnight stays).

Table 4: *Tourist arrivals and overnight stays in Danube District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	23.670	20.126	3.544	30.996	25.660	5.336
2006	27.530	24.309	3.221	40.899	36.062	4.837
2007	31.073	23.234	7.839	36.650	26.067	10.583
2008	31.665	23.674	7.991	39.833	26.710	13.123
2009	34.425	21.814	12.611	50.733	24.538	26.195
2010	25.396	14.954	10.442	31.776	18.251	13.525
2011	17.952	11.850	6.102	21.894	13.899	7.995
2012	13.815	7.332	4.629	24.674	16.174	8.500
2013	17.282	9.163	4.338	21.127	11.214	9.913
2014	12.572	5.246	6.699	17.782	7.845	9.937
2015	10.617	5.471	7.297	20.666	8.245	12.421

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 5: *Tourist arrivals and overnight stays in Bor District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	69.224	64.913	4.311	167.083	157.219	9.864
2006	74.771	72.222	2.549	172.876	166.759	6.117
2007	71.205	65.735	5.470	157.229	143.995	13.234
2008	64.843	59.457	5.386	153.222	143.170	10.052
2009	62.985	56.720	6.265	153.302	139.651	13.651
2010	66.477	58.818	7.659	173.606	155.774	17.832
2011	69.307	59.593	9.714	172.440	149.710	22.730
2012	68.023	59.523	8.500	164.169	145.365	18.804
2013	59.449	49.608	9.841	146.528	124.323	22.205
2014	56.789	45.631	11.158	136.252	105.997	30.255
2015	63.524	50.479	13.045	146.759	113.803	32.956

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 5 shows the number of arrivals and overnights of domestic and foreign tourists in the Bor District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that domestic participation in relation to foreign tourists in the total number of arrivals and tourist overnights was much higher. In the year of 2006, the total number of tourist arrivals was higher than in 2005. Since 2006, the total number of

tourist arrivals has been decreasing until 2010, when there were more arrivals compared to 2009. The increase in the total number of tourist arrivals was achieved in the year of 2011, after which there was a decrease in the number of tourist arrivals up to the year of 2015, when a greater number of tourist arrivals was registered in relation to 2014. In the observed ten-year period, the largest number of overnight stays of tourists in the Bor District was recorded in 2006 (172,876 overnight stays). Over the next two years, the total number of overnight stays decreases. A slight increase in the number of overnight stays was registered in 2009, while in 2010 there was a significantly higher number of tourist nights. From 2010 to 2015, the total number of overnight stays of tourists was evident.

Table 6: *Tourist arrivals and overnight stays in Zaječar District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	77.640	75.516	2.124	469.199	464.234	4.965
2006	73.437	71.710	1.727	451.836	446.503	5.333
2007	96.539	92.254	4.285	526.410	514.556	11.854
2008	94.398	90.216	4.182	518.070	505.167	12.903
2009	80.507	75.667	4.840	443.521	431.461	12.060
2010	70.790	66.473	4.317	403.158	392.928	10.230
2011	75.282	71.477	3.805	439.313	429.534	9.779
2012	82.177	77.171	5.006	431.066	420.237	10.829
2013	82.659	74.839	7.820	426.906	410.546	16.360
2014	70.769	61.094	9.675	319.554	294.485	25.069
2015	81.309	66.663	14.646	319.909	287.724	32.185

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 6 shows the number of arrivals and overnights of domestic and foreign tourists in the Zaječar District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that domestic participation in relation to foreign tourists in the total number of arrivals and overnights was much higher. The total number of arrivals, as well as the total number of tourist nights in the observed period varies. The highest total number of arrivals and tourist nights in Zaječar District was recorded in 2007 (96,539 arrivals and 526,410 nights), while the smallest total number of tourist arrivals and nights was realized in 2014 (70,769 arrivals and 319,554 overnight stays).

Table 7 shows the number of arrivals and overnights of domestic and foreign tourists in the Nišava District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that in the period from 2005 to 2014, the share of domestic tourists in relation to foreign tourists in the total number of tourist arrivals increased. However, in Nišava District the gap between the number of arrivals of domestic and foreign tourists, such as in the other districts of the South and Eastern Serbia region, was not so expressed. The total number of tourist arrivals varied in the observed period. The largest total number of arrivals was recorded in the year of 2011 (91,618 arrivals), with the lowest total number of arrivals realized in the year of 2013 (64,990 arrivals). The total number of tourist nights increased from 2005 to 2009. Since 2009, the total number of tourist overnights was decreasing by the year of 2014. During 2014, the number of overnight stays was higher than in 2013, and in 2015 the number of overnight stays compared to year 2014 was higher. However, this number of overnight stays was 2.12 times lower than in 2008, when the highest number of overnight stays of tourists in the observed ten-year period was recorded (337,371 nights).

Table 7: *Tourist arrivals and overnight stays in Nišava District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	71.155	48.912	22.243	221.973	188.507	33.466
2006	66.337	53.211	13.126	231.753	210.812	20.941
2007	90.238	58.111	32.127	326.522	282.999	43.523
2008	91.383	60.131	31.252	337.371	286.256	51.115
2009	89.196	53.866	35.330	320.006	268.879	51.127
2010	90.783	53.561	37.222	317.370	261.795	55.575
2011	91.618	55.207	36.411	302.658	251.788	50.870
2012	79.631	47.551	32.080	290.984	239.298	51.686
2013	64.990	34.498	30.492	126.393	76.118	50.275
2014	70.413	32.642	37.771	134.990	76.007	58.983
2015	83.292	36.868	46.424	158.919	88.200	70.719

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 8 shows the number of arrivals and overnights of domestic and foreign tourists in the Pirot District in the period from 2005 to 2015. Based on the data from the table, it can be noted that in the total number of arrivals, the share of arrivals generated by domestic tourists was

higher. In the total number of overnight stays of tourists from 2005 to 2012, the share of nights spent by domestic tourists was also higher. From 2012 to 2015, foreign tourists realized more overnight stays than domestic tourists, and in 2015 domestic tourists realized a slightly higher number of overnight stays than foreign tourists.

In Pirot District, the highest total number of tourist arrivals was recorded in 2006 (12,784 arrivals) and the highest number of overnight stays in 2005 (37,761 overnight stays). The smallest total number of arrivals was realized in 2010 (8,266 arrivals), while the smallest total number of overnight stays was recorded in 2013 (18,556 overnight stays).

Table 8: *Tourist arrivals and overnight stays in Pirot District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	11.977	8.889	3.088	37.761	31.816	5.945
2006	12.784	9.653	3.131	31.402	27.108	4.294
2007	10.151	7.410	2.741	23.292	18.098	5.194
2008	10.536	7.374	3.162	28.579	23.476	5.103
2009	9.601	6.426	3.175	24.470	18.370	6.100
2010	8.266	5.676	2.590	18.610	14.170	4.440
2011	9.361	7.176	2.185	31.674	26.891	4.783
2012	9.455	4.889	4.566	26.367	10.043	16.324
2013	9.181	4.958	4.223	18.556	9.175	9.381
2014	11.432	6.022	5.410	28.319	11.704	16.615
2015	11.589	6.177	5.412	24.393	12.363	12.030

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 9 shows the number of arrivals and overnights of domestic and foreign tourists in Toplica District in the period from 2005 to 2015. In the observed period, the total number of arrivals and tourist overnights varied. The largest total number of tourist arrivals was recorded in 2011 (28,547 arrivals), while the highest total number of overnight stays was in 2006 (223,505 nights). The smallest total number of arrivals and overnights was realized in 2007 (20,091 arrivals and 105,801 overnight stays).

Table 9: *Tourist arrivals and overnight stays in Toplica District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	24.588	24.251	337	158.620	157.708	912
2006	21.350	21.019	331	223.505	222.760	745
2007	20.091	19.189	902	105.801	103.100	2.701
2008	24.026	23.526	500	130.496	128.814	1.682
2009	22.151	21.214	937	119.770	116.700	3.070
2010	23.377	21.742	1.635	118.841	114.698	4.143
2011	28.547	25.206	3.341	141.891	134.461	7.430
2012	27.887	24.458	3.429	151.360	142.221	9.139
2013	24.208	21.722	2.486	133.303	124.998	8.305
2014	22.990	20.023	2.967	135.179	124.855	10.324
2015	27.170	22.535	4.635	157.013	142.733	14.280

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Table 10 shows the number of arrivals and overnights of domestic and foreign tourists in the Jablanica District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that there is a higher share of domestic in relation to foreign tourists in the total number of arrivals and overnights.

Table 10: *Tourist arrivals and overnight stays in Jablanica District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	19.824	15.801	4.023	89.341	83.903	5.438
2006	17.271	14.674	2.597	76.454	72.474	3.980
2007	21.262	16.135	5.127	94.113	86.878	7.235
2008	21.679	16.275	5.404	97.469	88.390	9.079
2009	19.655	13.405	6.250	87.964	79.527	8.437
2010	20.891	13.596	7.295	88.650	79.308	9.342
2011	20.781	13.754	7.027	82.075	72.734	9.341
2012	20.539	11.692	8.847	73.036	57.966	15.070
2013	23.416	12.706	10.710	81.546	66.595	14.951
2014	22.397	12.850	9.547	72.910	58.822	14.088
2015	20.790	13.114	7.676	70.279	58.238	12.041

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

The highest number of tourist arrivals was achieved in 2013 (23,416 visits), and the lowest total number of tourist arrivals was in 2006 (17,271 arrivals). The highest number of overnight stays was realized in 2008 (97,469 overnight stays), and the lowest total number of overnight stays was in 2015 (70,279 overnight stays).

Table 11 shows the number of arrivals and overnights of domestic and foreign tourists in the Pčinja District in the period from 2005 to 2015. Based on the data from the table, it can be noticed that domestic participation share in relation to foreign tourists in the total number of arrivals and overnights was much higher. The highest score on arrivals and overnights in Pčinja District was recorded in 2007 (29,343 arrivals and 139,515 nights), and the lowest total number of tourist arrivals and overnights was realized in 2015 (18,333 arrivals and 62,536 nights). The total number of tourist arrivals varied in the observed ten-year period, while the total number of tourist overnight stays steadily declined since 2007.

Table 11: *Tourist arrivals and overnight stays in Pčinja District in the period from 2005 to 2015*

YEAR	Tourist arrivals			Tourist overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2005	26.921	23.200	3.721	126.084	115.218	10.866
2006	26.319	22.755	3.564	118.918	109.313	9.605
2007	29.343	25.234	4.109	139.515	129.929	9.586
2008	29.023	25.005	4.018	131.146	121.940	9.206
2009	24.132	20.128	4.004	116.167	108.236	7.931
2010	24.442	19.974	4.468	116.137	107.008	9.129
2011	24.511	19.704	4.807	109.110	99.311	9.799
2012	21.689	16.596	5.093	88.105	79.130	8.975
2013	21.055	15.948	5.107	80.978	71.838	9.140
2014	22.282	16.319	5.963	64.803	55.838	8.965
2015	18.333	13.746	4.587	62.536	54.613	7.923

Source: *Data from publications: Municipalities in Serbia 2006, 2007, 2008, 2009, 2010, Municipalities and Regions in the Republic of Serbia 2011, 2012, 2013, 2014, 2015, 2016.*

Analysis of tourist traffic is important in order to comprehend the scope and dynamics of tourism flows in the previous period, but also to plan the future tourism development in the region.

Conclusion

The above-mentioned problems and constraints that hindered the development of tourism in the current period have to be overcome in the forthcoming period.

A series of measures needs to be taken to identify the indicated problems and to prevent such restrictions from hindering or preventing the development of tourism in the South and Eastern Serbia region in the long run.

In order to benefit from the comparative advantages, improve the quality of the existing offer and improve the competitive position of the South and Eastern Serbia region on the domestic and international tourism market, it is necessary to:

- to identify the unique advantages of tourist destinations in the region of South and Eastern Serbia;
- to create a positive image of tourist destinations in the region of South and Eastern Serbia;
- to differentiate the offer of tourist destinations in the region of South and Eastern Serbia;
- renew existing and build new accommodation capacities;
- improve road and communal infrastructure;
- to improve the tourist infra and suprastructure;
- improve tourist signaling;
- educate cadres in the field of tourism;
- to intensify market and above all promotional activities;
- to establish an adequate system for managing tourist destinations in the region of South and Eastern Serbia.

Tourism is an economic branch that requires continuous quality improvement, due to competition, but also because of the increasingly complex and diverse tourists demand.

Achieving, maintaining and improving the quality of tourism is one of the main conditions in meeting the needs of tourism and increasing tourist traffic.

In modern conditions, quality is one of the key factors of survival of tourist business subjects and tourist destinations on the market.

References

1. Blagojević, S. (2009). Tourism Development Planning. Proceedings of the Department of Geography, Tourism and Hotel Management, Faculty of Sciences, University of Novi Sad, 38/2009, 196-209.
2. Djeri, L., Stamenković, P., Blešić, I., Milićević, S., Ivkov, M. (2018). An importance-performance analysis of destination competitiveness factors: case of Jablanica district in Serbia, Economic Research - Ekonomska Istraživanja, Vol.31, No.1, 811-826.
3. Gašić, M. (2016). Tourism in the Function of the Development of Rural Areas of South and Eastern Serbia, Doctoral Thesis, University of Niš, Faculty of Economics, Niš.
4. Government of the Republic of Serbia, Ministry of Trade, Tourism and Telecommunications, The Tourism Development Strategy of the Republic of Serbia for the period 2016 - 2025, Belgrade.
5. Mitrović, M. (2015). Villages in Serbia - Changes in Structures and Problems of Sustainable Development. Republic Institute for Statistics, Belgrade.
6. Rašević, M. (2016). Migration and Development in Serbia. International Organization for Migration, Belgrade.
7. Stamenković, P., Ilić, D. (2017). Tourism image factors of Jablanica District: Perception of internal stakeholders. 2nd International Scientific Conference – Tourism in function of development of the Republic of Serbia, Thematic proceedings, University of Kragujevac, Faculty of Hotel Management and Tourism in Vrnjačka Banja, 641-658.
8. Statistical Office of the Republic of Serbia, Municipalities and Regions in the Republic of Serbia 2011 (2011); 2012 (2012); 2013 (2013); 2014 (2014); 2015 (2015); 2016 (2016), Belgrade.
9. Statistical Office of the Republic of Serbia, Municipalities in Serbia 2006 (2007); 2007 (2008); 2008 (2009); 2009 (2010); 2010 (2010), Belgrade.

10. Stojanović, D., Ilić, D. (2016). Specifics of risks and risks management in tourism. 1st International Scientific Conference Tourism in function of development of the Republic of Serbia – Spa tourism in Serbia and experiences of other countries, Thematic proceedings, University of Kragujevac, Faculty of Hotel Management and Tourism, Vrnjačka Banja, 307-322.

INFLUENCE OF KAJMAK AS A CULTURAL ASSET ON THE GROWTH OF THE TOURIST OFFER OF WESTERN SERBIA

Marina Bugarčić¹; Jovan Bugarčić²;

Abstract

Kajmak as a Serbian traditional dairy product, suitable for mass consumption and prepared in a traditional way has a special flavor and as such is an essential factor not only in traditional dining but also in restaurants based on national gastronomy. The main goal of the research is to determine how by registering on the list of the intangible cultural heritage of the Republic of Serbia and preserving the craft of traditional production and with popularization of domestic products, kajmak can have a significant impact on the growth of the tourist offer of Western Serbia as an important autochthonous gastronomic product.

Key Words: *tourist offer, Western Serbia, culinary tourism, kajmak, tourism development*

JEL classification: *L66, Q1, Z32*

Introduction

Western Serbia as a tourist region with idyllic natural attractions, welcoming hosts and recognizable hospitality of its Mačva, Kolubara, Zlatibor and Morava regions might easily become an ideal holiday destination. Along with the benefits of mountain, rural and spa tourism, its well-known delicious gourmet cuisine could be used to support the development of culinary tourism as well.

The research is divided into several phases. First, we assess the economic impact of food tourism sector by rating Western Serbia on the

¹ Marina Bugarčić; PhD, Associate Professor, Faculty for entrepreneurial business and real estate management, Union Nikola Tesla, University Belgrade, +381695113399, bugarcicm.vbbs@gmail.com

² Jovan Bugarčić, MSc, Teacher, School of Tourism, Otona Župančiča 4 Belgrade, +381692846420, bugarcicjovan@gmail.com;

gastronomic world map, and also deal with the Strategy of Agriculture and Rural Development of Serbia.

Then, we explore traditional and contemporary methods of kajmak production, manufacturing premises, preservation of traditional craftsmanship practice in order to determine the impact of registering kajmak as an autochthonous gastronomic product on tourism development and inbound tourism industry.

Current trends and gastronomic scene of national cuisine

Some predictions are that by 2025 there will be around 350 million jobs in tourism industry. Over the past decades tourism has also shown enormous resilience to all ups and downs in other fields of economy and no matter what is going on, this industry is constantly growing (Bejatović & Bugarčić, 2018).

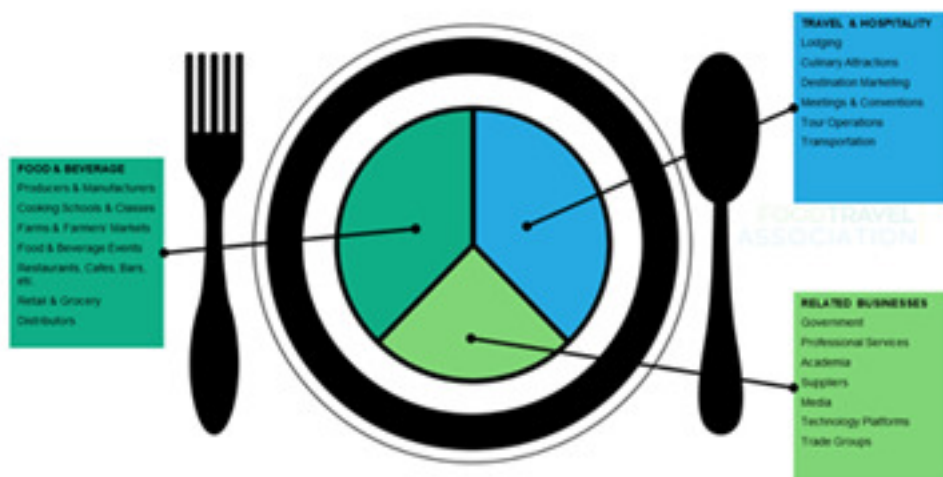
Since food is the most delicious part of travelling itself, culinary tourism provides a memorable and unique food and drink experience. When it comes to Millennials and their ever increasing influence on food and tourism industry, and the fact that they will be a leading products and services customer of the global tourism market, it is obvious that extensive use of national cuisines and traditional products marketing offer an immense potential for culinary tourism development. Of course, it goes without saying that the above mentioned generation is obsessed with documenting their life on social media, because of the phrase *Pics or It Didn't Happen*. Therefore, Millennials might come in handy for enhancing tourism industry, i.e. the more overnight visitors, the higher revenues.

Culinary tourism involves several sectors of the regional economy that frequently have little interaction: farmers/ranchers, retail establishments, restaurants, and processors. This organization may require new markets and institutions to build and maintain the supply of and demand for local foods in the region. Markets for local foods and beverages must be supported and developed (Green & Dougherty, 2008). Innovations are the most important drivers in contemporary economies and much of the efforts policy makers and many stakeholders aim to support innovation (Zakić et al., 2017).

Making a travel budget might not include the admissions to museums, but a certain percentage of the total vacation budget is inevitably spent on food and drinks (everyone must eat and drink). Travelers can now be considered food travelers. Nowadays, most travelers want to experience the excitement of wine tours, chocolate factories or small, traditional meat producers. Therefore, why shouldn't we ensure that the Western Serbia region reaches its full potential of the visitor economy? In other words – *kajmak*, as an intangible cultural heritage, should be one of the key factors for tourism development.

Food consumption in tourism is not a simple repeat of the daily eating habits and routines. Even in the daily life, variety and change are necessary complements to the routines and habits. Thus, in tourism itself a form of change from the daily routine, quest for various foods is one of appealing experiences (Quan & Wang, 2004).

Picture 1: *The 20 Interrelated sectors of the food and beverage tourism industry*



Source: <https://www.worldfoodtravel.org/cpages/about>

The tourism sector recorded the highest growth in the world economy, and is strongly supported by the new possibilities. The effect of the revolution continues to change the nature of contemporary tourism on a day-to-day base (Perišić et al., 2017). According to the Statistical office of the Republic of Serbia in October 2018, in accommodation facilities in the Republic of Serbia, 302673 tourist arrivals were registered, which is an increase by 7,5% when compared to the same period 2017. In relation

to October 2017, the number of foreign tourists' arrivals increased by 12,1%, while the number of domestic tourists arrivals increased by 3,2%. In October 2018, the number of 749318 tourist overnight stays was recorded, of which 58.5% were made by domestic tourists, and 41.5% were made by foreign tourists (Monthly statistical bulletin 2018).

Compared to October 2017, the number of overnight stays increased by 8,6%. In relation to the same period 2017, in October 2018 the number of overnight stays made by foreign tourists increased by 10,3%, while the number of overnight stays made by domestic tourists increased by 7,5%.

Picture 2: *Number of tourist arrivals and overnight stays by types of tourist resorts*

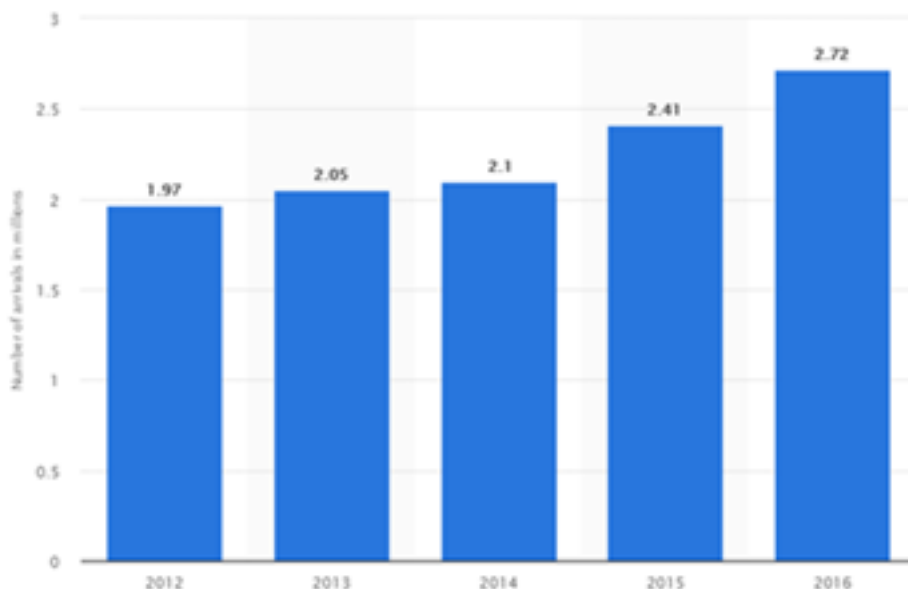
	Površina Crne Gore / Republic of Serbia									
	Arrivals					Nights				
	Urban administrative centers	Spa resorts	Mountain resorts	Other tourist resorts	Other resorts	Urban administrative centers	Spa resorts	Mountain resorts	Other tourist resorts	Other resorts
2017										
X	119,1	39,7	42,7	70,3	9,8	240,4	179,9	122,0	124,6	22,9
XI	84,3	23,3	28,6	46,9	7,9	174,7	111,3	86,8	91,6	18,2
XII	91,0	28,6	45,3	48,3	8,3	182,3	90,3	161,0	86,4	18,6
2018										
I	57,2	24,3	56,0	33,4	5,8	128,8	90,1	249,4	67,8	13,7
II	63,7	23,6	59,2	34,1	6,0	137,4	87,6	271,1	73,9	13,6
III	86,1	32,3	46,3	47,8	8,2	184,0	115,9	181,9	93,2	18,2
IV	106,9	46,0	50,4	68,2	11,9	216,7	182,4	161,6	126,3	27,8
V	133,5	60,4	62,9	100,2	14,8	272,1	243,5	203,4	170,5	34,1
VI	118,1	66,6	51,5	77,1	15,2	248,4	286,7	198,6	155,4	34,5
VII	141,1	83,3	49,1	78,5	18,6	286,4	372,5	206,2	183,6	43,3
VIII	143,4	103,1	52,2	83,3	34,3	300,8	486,1	222,3	186,0	91,1
IX	133,4	51,8	42,3	70,7	15,8	258,1	278,1	114,3	140,7	33,1
X	128,9	44,2	43,6	74,9	11,1	263,9	198,2	120,1	142,5	24,6
I-X 2018	111,5	111,4	107,5	109,4	122,6	116,0	114,4	105,4	111,5	126,3
I-X 2017										

Source: <http://publikacije.stat.gov.rs/G2019/Pdf/G20193001.pdf>

Agro-industrial sector plays an important role in the economy of Serbia. According to the Strategy of Agriculture and Rural Development of Serbia for the period 2014-2024 (2014) in 2024, agriculture should be the sector whose development is based on knowledge, modern technologies and standards, domestic and demanding foreign markets offering innovative products and manufacturers provide a viable and stable income. Similarly, Strategy and policy development of the industry of the Republic of Serbia 2011-2020 (2011) predicts the growth of industrial production, investment, innovation and exports, as well as speeding up

the reform process. If we take into account environmental factors that have a strong influence on agriculture and food industry of Serbia, such as globalization, the rise of competition, the process of Serbia's European integration, technological changes, changes in the needs and preferences of customers, etc., as well as the projections of strategic documents, innovation is one of the keys of profitability and competitive advantage in the agro-industrial sector in Serbia (Zakić et al., 2017).

Picture 3: *Number of arrivals in tourist accommodation in Serbia from 2012 to 2016 (in millions)*



Source: <https://www.statista.com/statistics/413276/number-of-arrivals-spent-in-short-stay-accommodation-in-serbia/>

Paper results and discussion

It is difficult to determine with certainty the exact beginning of kajmak production in the regions of Western Serbia. However, based on findings, it can be concluded that the whole production process has existed for more than 200 years. A traditional production of kajmak began a long time ago in special dairy processing rooms within the households. Small auxiliary rooms, known as 'mlekari' (dairies), used to be built close to the central family house. The dairies were made of natural materials – stone, wood and metal (metal wedges) and the mixture of soil and water (mud). According to the research performed in a number of households in Čačak

municipality, Kraljevo, Lučani and Zlatibor, the following findings will explain whether and to what extent the traditional kajmak production has changed, and how the increased consumption led to the modernization of production, processing and distribution within mass production.

Production of kajmak is carried out as a homemade manufacture, based on the traditional manufacturing procedure. Traditionally-produced kajmak differs greatly from producer to producer and yields wide variation in product composition, characteristics and quality. The process comprises numerous steps that represent potential safety risks for consumption of kajmak as well as the remaining milk (Jokovic et al., 2008).

Traditional production of kajmak, as a homemade manufacture, is performed by family members and the traditional recipes are passed down through generations.

The rooms for kajmak production in the Western Serbia regions are called by different names. One of the most common names is 'mlekar' or 'mekar' (a dairy, a milkhouse). The roots of both words have the same meaning – *milk*. It was the word that kept having numerous variations depending on geographic location and linguistic diversity.

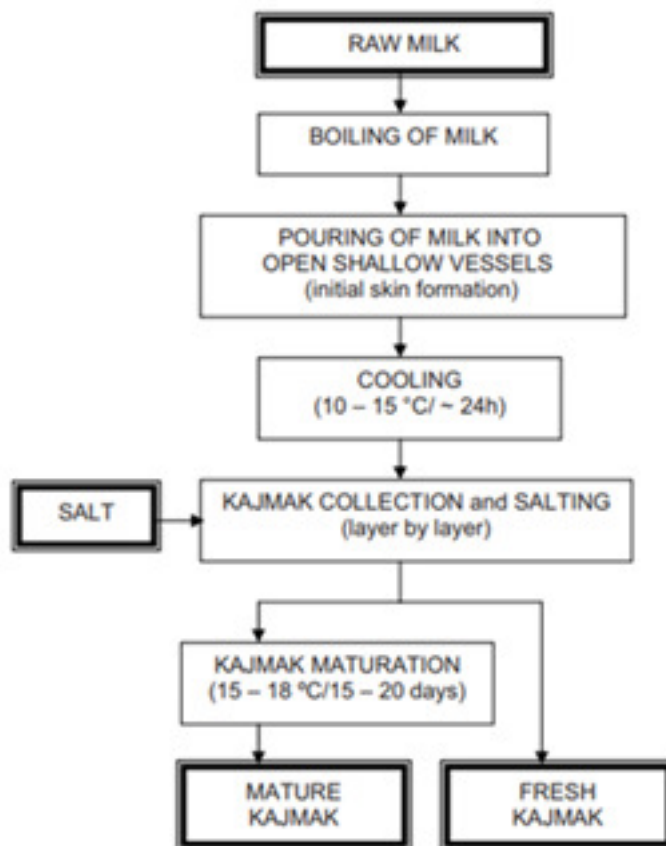
Since the landscape of Western Serbia is mostly hilly, with a predominantly mountainous climate, thus the mountainous style of these rooms. As already written, the most common construction materials were natural materials (stone, wood, soil, water...) since they were available, weather-resistant and durable. The foundations used to be made of stone, partially dug into the ground, bearing structure and walls were made of wooden boards and columns, and the roof structure was made of mixed materials such as wood shingles, stone slabs, hazelnut wood, tratch, mud, etc. It is important to point out that special care was taken to build walls. Since wood is a natural material, wood dissolution takes place over time and gaps are developed between the boards, it was of significant importance to use hardwood trees and, if possible – already dried wood, in order to prevent the presence of insects and rodents.

Industry development led to the application of different materials for building 'milk houses' (creameries, dairies). Stone and wood were replaced with building blocks and concrete, wood shingles were replaced with modern roof coverings, and ceramic tiles were used for floor

covering, instead of ground covering. In spite of obvious advantages of these changes in terms of production development, we cannot overlook their harmful effects as well – tradition and culture were drifting into oblivion.

Certain legal norms of the Republic of Serbia are against this traditional production method. The implementation of HACCP in a ‘milk house’ (creamery) cannot be realized until the milk house meets all of the requirements. While performing our research, we found out that none of our survey participants used traditional premises for kajmak production within their households. This is understandable since the production itself is significantly facilitated. No more worries about dissolved wooden walls, pots on earthen floor, insects and rodents, weather conditions. These premises enable almost totally controlled production conditions – air temperature, humidity, products storage as well as raw milk storage.

Picture 4: *The procedure od traditional kajmak production*



Source: <https://www.dairyjournal.org/articles/dst/pdf/2008/02/dst0743.pdf>

Consumers are now asking for better services. They are more specific with regards to content and the details of the arrangement. They are more cost conscious and often tend to make comparisons between two products (Perišić et al., 2017).

Based on the performed research, we can conclude that milk products, including kajmak, are made in a dairy. However, dairies are not to be considered the first and only places where kajmak is produced. The process of making kajmak involves other production sectors as well. The first and very important segment of kajmak production is a farm itself – animal breeder. Based on the findings of our research, performed within registered agricultural households that produce and sell kajmak, among other things, we concluded that throughout the regions of Western Serbia kajmak is traditionally made from cow's milk only. The breeds of dairy cows, which ensure top quality milk production, do not come from our regions, but mostly from Austria and Germany. They are imported under the name of the Simmental cattle. Regular and controlled feeding of this cattle breed ensures the increased quantity of milk of higher quality, in comparison to other cattle breeds. In smaller households, cows are milked twice of three times a day and milking is performed by hand, unlike robotic milking (automated milking) that is done in bigger households. Milking frequency depends on the age of dairy cows, which also affects the quality of milk itself – fat contents of milk. Younger cows are milked three times a day and their milk has lower fat content, whereas older cows are milked two times a day and their milk is higher in density and richer in fat content, which is suitable for kajmak production. Since most producers have both young and older cows on their farms, it is important to point that as soon as the milking and milk filtration have finished, the collected milk is mixed in order to achieve optimal quality and balanced milk fat percentage - which is required for kajmak production.

All surveyed producers stick to the food heritage – the kajmak production methods have been passed down from generation to generation. From the earliest period to the present time this process has been performed by women in families (housewives). As mentioned before, the kajmak production starts on the farm (stables). The first step is milking. Fresh collected milk is filtrated in special rooms for further processing in order to remove dirt and particles (physical removal of contaminants). Filtered milk is set in adequate pots and gradually heated to the boiling point. Thermal processing is carried out at moderate temperature for 10 to 15 minutes, including occasional milk fouling. Thermally processed milk is

then removed from the heat, poured into wide-bottomed pots, capacity of 5 to 7 liters, and kept in cold and dark rooms until the next day, in order to form a crust on top of the milk, the so-called 'creaming'. During the creaming, fats from milk rise to the surface to form cream layers. This is the result of gradual cooling. The creaming method is crucial for a proper kajmak production. After the crust has formed from the milk fats on the surface, a kitchen knife is used in order to make delicate cuts along the edge of the pot. In this way, kajmak is separated from the edges. This is very important step. If skipped, the surface layer shrinks and causes cracks across the surface. The separated surface layer is carefully removed, manually or using the French sauce spoon, and put in an adequate dish in which kajmak will be stored. Until a few years ago, the dishes for storing used to be 'karlica' (wooden bowls) or 'čabar' (wooden buckets), made of special type of wood. Modern times replaced those traditional wooden dishes with metal or plastic ones. Kajmak salting is one of the production methods that the surveyed households apply in their own way. It is a matter of individual choice that depends on personal preferences. Kajmak salting starts before the first crust layer of kajmak is placed in a bowl – a bit of salt is put on the bottom of the bowl, then kajmak is placed, and between every new layer the crusts are salted. Based on storage time (maturity), kajmak is classified into two types – young and old. There are several types of young kajmak: a day old kajmak, two-day-old kajmak, three-day-old and a week old kajmak. If storage time exceeds seven days, kajmak will turn into old kajmak. The production of old kajmak is basically not different from young kajmak production. The main difference is the period after the surface layers of kajmak are removed from top of milk – young kajmak is instantly put into wooden bowls, or metal dishes nowadays, and every single day a new layer of kajmak is added to the previous one, making sure that there is no air between the kajmak layers. Once the desired quantity is reached, a small amount of young kajmak is heated and kajmak reaches the heat-induced aggregation and pours over the surface of the dish. The dish covered with kajmak is closed and stored in a dark and cold room where maturation occurs and young kajmak turns into old kajmak. Old kajmak reaches its highest quality after the storage period of 6 months.

The previously described kajmak production method faces numerous obstacles when it comes to quality control. It is obvious that this kajmak has a specific and delicious aroma and quality. However, it also has certain flaws. Based on the survey results obtained from small

manufacturers, we came to the conclusion that the main problem we came across is the concept of quality standardization.

When it comes to a product quality assessment (kajmak assessment), small manufacturers usually apply food sensory analysis (use of human senses of touch, taste and smell in order to evaluate the quality of kajmak), hence a potential threat that industrial production of kajmak might establish primacy in the market.

There are only few industrial manufacturers in Western Serbia and we managed to have a conversation with one of them. The results were thoroughly analyzed.

The industrial method of kajmak production is completely the same as the one performed by small, family-run manufacturing. The homemade production has been passed down from generation to generation. The owner of the dairy claims that the production procedure has been carried out for more than 130 years (the recipe came from his grandmother, who passed it down to his mother, etc.) and it has never been changed. From the very first production that occurred more than 130 years ago, the method has been the same, except for slight modifications in terms of production process upgrading, in accordance with the market requirements. Since the kajmak production requires a lot of time, effort and hard work, and current market demands have been increasing, it is necessary to implement modern milk processing equipment under controlled conditions.

The beginning of the industrial production in this dairy was the moment when the old family house was renovated and repurposed – it was turned into ‘a dairy – milk rooms.’ Traditional dairies used to be very small, up to 10 square meters. The renovated house was turned into this 70 square meter dairy, due to the increased production. Therefore, in accordance with the regulatory requirements, the owner decided to implement the HACCP management system to ensure manufacturing competitiveness and legalization. The moment the implementation of these HACCP standards has been completed, all wooden bowls and metal pots sank into oblivion. Instead, the entire production involves small inventories made of stainless steel. Consumers’ satisfaction with the quality of kajmak increased the product demands on a monthly basis. However, traditional production process could have been neither modified nor streamlined. The analysis of the potential for production upgrading led to the conclusion that the quantity of milk thermal processing has been

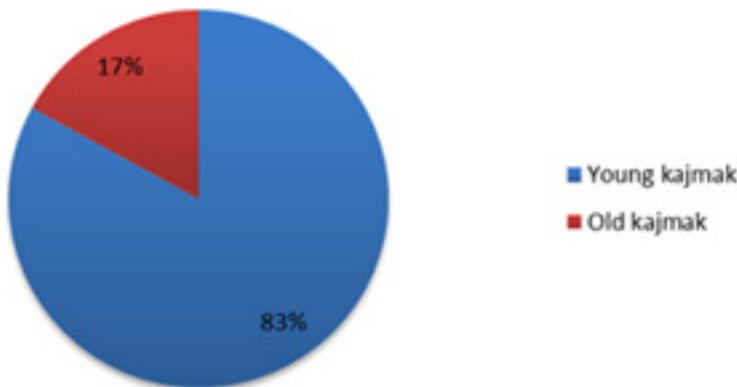
increasing, and, since current electric appliances for thermal processing were not able to meet the demands, the production was upgraded by milk pasteurization equipment, capacity of 5000l, which means that thermal processing takes a little bit more than two hours. Thermal processing does not affect the quality of milk, since the controlled conditions ensure maximal use and milk quality. Traditional copper pot and open fireplace gave way to modern technology and equipment, and cold mountainous air in wooden dairies was replaced with kajmak storage chambers that prevent temperature oscillation.

Having conducted the survey with the registered agricultural households regarding their kajmak production, we concluded that sales are mostly done at the markets in the nearest cities and towns (Čačak, Guča, Zlatibor,...). Based on the data analysis, we came to the conclusion that local market sales are rather 'safe and reliable', since qualified food inspection service collects kajmak samples on a daily basis in order to perform a phytosanitary control and ensures food safety.

Statistics on small manufacturers in the registered agricultural households of Western Serbia reveal that the average kajmak production on a weekly basis is 20kg. In contrast, the statistics on the industrial kajmak manufacturer, whose kajmak is sold in only few grocery stores, reveal that about 200 kg of kajmak is sold on a daily basis, which clearly shows that a commercialized dairy that applies the traditional production method, inherited from family ancestors but upgraded with technological innovations, produces 70 times more kajmak on a daily basis than a small manufacturer who adheres to traditional methods. The mentioned facts represent the statistical average for kajmak production on a weekly or daily basis, expressed in kilograms in accordance with their usual needs for product placement (embedded marketing). These values are significantly increased in both cases prior to important religious holidays, such as Orthodox Christmas, Easter, '*Slava*', etc.

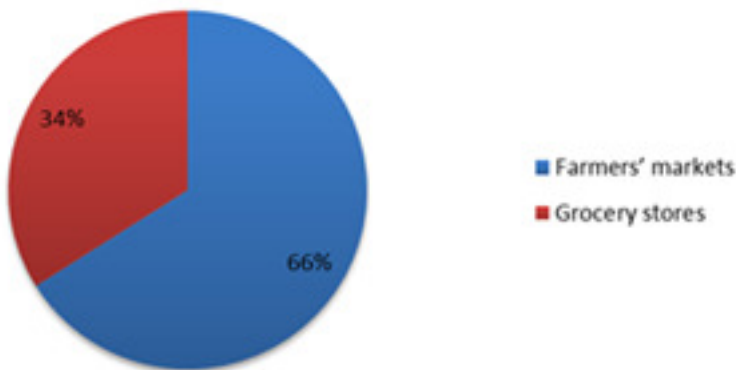
In order to fulfill one of the objectives of this study, we conducted a survey with the final consumers who provided us with consumers' insights for habits regarding consumption, purchase, quality and selection of kajmak. The examinees are adults aged 18- 65. The poll was available until we acquired answers from 100 examinees.

Picture 5: *Kajmak preferences*



Source: *Research conducted by us*

Picture 6: *Where are you buying kajmak*



Source: *Research conducted by us*

Based on the statistical chart, it is obvious that there is a great difference in preferences: 83% of the surveyed consumers prefer young kajmak, and only 17% of them would rather consume old kajmak. This was somehow expected since the survey was conducted in Western Serbia, whose population has been eating young kajmak for decades. Also, according to the data obtained from the surveyed food manufacturers, we concluded that the kajmak production in the mentioned region radically decreased, due to extremely low market demands.

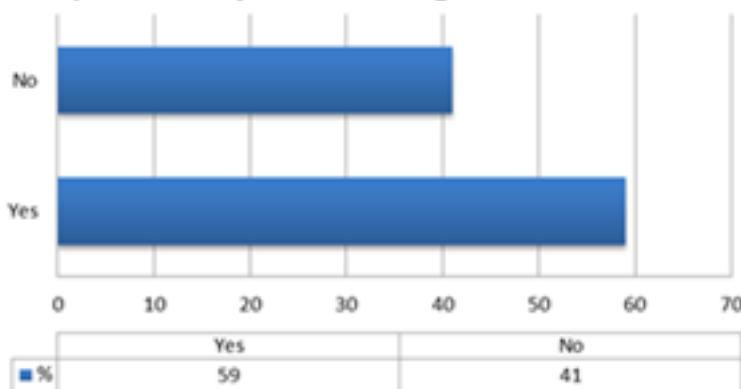
The old kajmak consumption prevails in Montenegro and Bosnia and Herzegovina, where people prefer the production and consumption of old kajmak, unlike the inhabitants of Serbia.

When it comes to buying kajmak, the presented survey shows that 66% of the surveyed consumers usually buy kajmak at farmers' markets, and 34% of the surveyed consumers prefer buying it in grocery stores.

Going to farmers' markets in order to buy kajmak is one of the traditional customs that have been practiced for decades in this region. Some consumers even have their 'own' seller at farmers' markets, and furthermore – there are those who pass down this habit from generation to generation because they avoid changes and different flavors of other producers. Most of small manufactures sell their dairy products in specialized facilities within the farmers' markets throughout the country. However, a small number of the surveyed consumers who buy their kajmak in grocery stores can be attributed to a rather limited choice in these stores. Most grocery stores offer a great variety of items and food products and yet, they do not sell kajmak. On the other hand, the sellers who do have kajmak in their grocery stores, offer one type of kajmak or one producer only.

When asked, "Do you order kajmak in catering establishments?", 59 % of the surveyed consumers responded affirmatively and 41% of them gave a negative answer. Formulating the research question in this way is the continuation of the previous one, since we came to the conclusion that most kajmak producers rely on their own constant customers. It is therefore expected that 41% of the surveyed participants do not consume kajmak in catering establishments because they are not familiar with the quality and taste of the offered product.

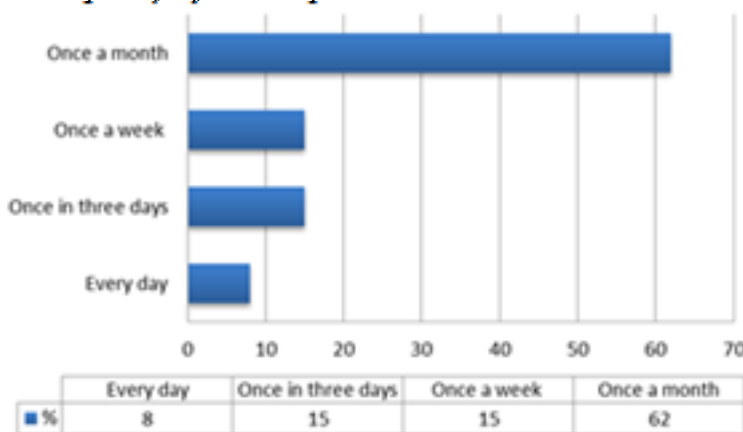
Picture 7: *Do you order kajmak in catering establishments*



Source: *Research conducted by us*

As for the frequency, 8% of the participants consume kajmak every day, 15% of them consume it once in three days, 15% of the participants consume it once a week and 62% of the surveyed consumers eat it once a month. These statistical indicators can be interpreted in different ways. If we take into account the recommendation provided by the World Health Organization – *the intake of high-fat food should be minimal*, it is expected that 62% of the surveyed participants eat kajmak rarely. Also, when it comes to an average Serbian customer and their tight monthly budget, the obtained results are understandable, knowing that certain types of kajmak are rather pricey.

Picture 8: *Frequency of consumption*



Source: *Research conducted by us*

Conclusion

The rural participants' knowledge of traditional food is more locally oriented, unlike the people in urban areas - capital city, who knew only about the traditional products available on the market (both green/open market and supermarkets). This could also indicate the level of traditional food recognition on the national market. Only products with sufficient supply for the large market segments are recognized. Therefore, local producers should be supported to establish cooperatives to strengthen their market position and promote their food products while simultaneously contributing to the promotion of tourist offer of their regions (Stojanović et al., 2010).

Based on the performed research, we can conclude that the value of kajmak in the Western Serbia region is not only based on financial value

of the product, agricultural development and cattle breeding potentials or workforce recruitment. Kajmak is a significant element that influences the growth and development of culinary tourism. Most domestic and foreign tourists, regardless of the purpose of their travel, have to eat some food while staying in a certain country. Also, majority of tourists are aware of the significance of autochthonous gastronomic tradition and tasting new kinds of food in order to awake all their senses and experience something new and unique. Distinctive taste and aroma of kajmak can satisfy the most sophisticated palates and most demanding gourmands.

We came to the conclusion that regardless of the production place – either a small agricultural household or a modern dairy, kajmak is the product of crucial importance for the growth and development of culinary tourism, thus contributing also to the economic balance of the country.

A great variety of gastronomic specialties, such as the Karađorđe Steak, 'Zlatibor Komplet lepinja' (flat bread bun filled with kajmak, eggs and meat gravy) or Serbian appetizers, contain young or old kajmak. However, a great number of other popular gastronomic specialties can be additionally refined by adding kajmak. Also, mass industrial production along with the preservation of traditional values and craftsmanship may lead to the kajmak production that meets all gastronomic and food law requirements. Such food product could be available in both grocery stores and restaurants of the European countries. If so, why shouldn't we make sure that *kajmak* gradually becomes the gastronomic symbol of our country? Once it happens, we can 'skin the cream off the milk' and reap the fruits of our labor.

References

- 1 Bejatović G., Bugarčić M. (2018). Trend of Tourist Offers Positioning in the Digital Era. *The Third International Scientific Conference "Tourism in function of development of the Republic of Serbia - Tourism in the Era of Digital Transformation"*, Vrnjačka Banja, 152-169
2. Green G. P., Dougherty M. L., (2008). Localizing linkages for food and tourism: Culinary tourism as a community development strategy. *Community Development*, Vol. 39, No. 3, 148-158.
3. Jokovic N., Nikolic M., Begovic J., Jovicic B., Savic D., Topisirovic L., (2008). A survey of the lactic acid bacteria isolated from Serbian artisanal

dairy product kajmak. *International journal of food microbiology*, Vol. 127, No.3, 305-311.

4. Perišić, J, Milovanović, M., Bugarčić, J. (2016) Implementacija informacionih sistema i elektronsko poslovanje u turizmu. "HOTELPLAN", Beograd, 17, 20-30

5. Pudja, P., Djerovski, J., & Radovanović, M. (2008). An autochthonous Serbian product—Kajmak Characteristics and production procedures. *Dairy Science & Technology*, Vol.88, No 2, 163-172.

6. Ouan S., Wang N.. (2004). Towards a structural model of the tourist experience: An illustration from food experiences in tourism. *Tourism management*, Vol. 25, No.3, 297-305.

7. Statistical office of the Republic of Serbia, Monthly statistical bulletin 10/2018. <http://publikacije.stat.gov.rs/G2019/Pdf/G20193001.pdf> (10 February 2019)

8. Statista, Number of arrivals in tourist accommodation in Serbia from 2012 to 2016 (in millions) <https://www.statista.com/statistics/413276/number-of-arrivals-spent-in-short-stay-accommodation-in-serbia/> (27 February 2019)

9. Stojanović Ž., Ognjanov G., Filipović J., (2010). Traditional food and its implications for development of rural tourism in Serbia. *Economics of Agriculture*, Vol. 57, No. 2, 352-358.

10. World Food Travel Association <https://www.worldfoodtravel.org/cpages/about> (13 February 2019)

11. Zakić, N., Bugarčić M., Milovanović, M. (2017). Proclivity for open innovation in the case of agricultural and food companies in Serbia. *International Review*, Vol. 3, No. 4, 64-71.

DEVELOPMENT OF TOURISM AND LOCAL ECONOMIC DEVELOPMENT

Jovan Rudež¹; Srđan Drobnjak²;

Abstract

The development of tourism and tourist destinations, especially in certain regions of Serbia, depends on the increase of social capital of the destinations. It applies particularly if the goal is to enter the international market, that is to attract foreign guests in a way which is in accordance with the local community development programme. This article has analyzed the way how to enlarge social capital with the aim to attract foreign tourist and then to test the integrative model iModel which is based on systematic thinking. Next, the relationship between systematic thinking, tourism and social capital has been discussed. The research has been done on Podunavlje District, whose market can be the regional countries and some developed countries such as Germany and Austria as well. The capacities can be enforced by enlarging social capital which needs the help of all the participants at the destination. This study is also based on the analysis of the application of local economic development programme (LED) related to the destination of Smederevska Palanka and Podunavlje District.

Key Words: *tourist destination, social capital, international market entrance, local development, model*

JEL classification: *Z32, O15, R11*

Introduction

Tourism, as an extensive and prosperous branch of economy, still does not have an appropriate place in the economy development in Serbia and largely depends on the increase of social capital of the particular destinations (such as, e.g. Smederevska Palanka and the whole Podunavski region) as regards entering the international tourism market.

¹ Jovan Rudež, Ph.D., lecturer, College of Academic Studies Dositej, +381 60/0503-133, e-mail: jovan.rudez@gmail.com

² Srđan Drobnjak, Ph.D., lecturer, MIA the Republic of Serbia, sdrobnjak@gmail.com

On the territory of the Republic of Serbia, tourism is burdened with the concentration of tourist turnover during summer and winter months. A more balanced course of a tourist season is to be achieved by innovating the tourist offer – by an introduction of new tourist products. (Đenadić & Rudež, 2018, p. 646). This study has three goals. First, we have explored the aspects of enlarging the social capital of the destination with the aim of attracting guests from the international market. Then, the integrative model *iModel* is empirically tested. The model is based on systematic thinking which is developed within LED project for the purpose of the decision making process at the local level. In the end, there is a theoretical, at the local level, consideration and coordination of the relationship between systematic thinking and social capital at tourist destination level according to *iModel* estimation, which refers to a local community such as Smederevska Palanka and Podunavlje District.

In modern modalities which can be applicatively used, scientists and researchers often talk about tourism as a possibility for rapid development, which creates - positive expectations of local participants because of its potential to contribute to economic development, increase employment and raise the living standard of the local population. They should decide which way a destination is to develop. Such decision requires an ability to establish, engage and maintain the control over the key competencies or unique attributes enabling the destination to have a more important role and to achieve increasingly better business results.

Under modern conditions, both social capital and tourism can be considered complex systems, since they both constantly change their features resulting from the interaction of several active participants. That makes them suitable for analysis by a systematic approach. A systematic approach is important for the destination managers because it can help them understand their position within the economy system as well as their relations with others. Moreover, it can give data useful for planning and creating the policy and it can also create a clear image of a tourist model of the particular destination. For example, it can help the local participants to find a way how to improve a negotiating position or how to enlarge their benefits and not only at local level but also more widely at the level of Podunavlje District. In that context, systematic thinking offers a theoretic base for dealing with destinations and social capital as complex systems.

Social capital at the destination level

Tourism is considered the economy branch that has the best conditions for spreading and creating employment and thus for economic development. However, the role and contribution of tourism to employment, and by this to development, varies significantly according to the scope, character and level of the development as well as the importance given to tourist industry in a particular country or destination, which still cannot be said about the treatment of tourism in Serbia. We should bear in mind that a positive effect of tourism on employment, together with other positive effects, is more expressed in the countries which stand out as significant receptive countries. Foreign tourists' consumption has multiplicative effects on the economy of Serbia as this consumption resources keep on circulating in the economy thus affecting economic trends (Petrović, 2015, p. 45).

It is in the nature of tourism to have many subjects that affect economic development, but it is necessary to have social capital in mind as the base of economic development at the local level as well. Normally, social capital is defined as rules and networks enabling members of a community to act together on fulfilling common goals (Bordieu, 1986, p. 246). Serbia is distinguished by favourable agro-ecological conditions for cultivating various vegetables and also by the vicinity of the EU market. The main economy feature of this production is a fast capital turnover, which makes it very interesting for small producers (Pavlović et al., 2014, p. 896). As regards this article, it is necessary to research how local workers can enlarge the social capital of a tourist destination in order to enter the international market. Foreign tourists themselves, as an important source of inducing development of a certain destination, should be in the focus. However, the international market is influenced by several factors relating to managing, information, community, commercial aspects and so on (Culiuc, 2014). Current biggest obstacles are more frequently connected with the inner capacity of an entrepreneur than with the international surroundings (Tavares & Leita, 2017, p. 837). The frame of observation is based on the terms of a tourist destination, social capital and systematic thinking about the possibilities that tourism offers for the rapid development of a destination. The analysis should apply adequate methods and *iModel*, that is the ways it is to be used for making the most of social capital and attracting foreign tourists. Social capital presents a resource which enables the participants to mobilize, for common goal, other resources in their ownership – money, knowledge,

tools, and real estates. However, social capital has two sides. It can be positive and make facilitate the access to financial means, business opportunities and human resources that possess skills, knowledge and abilities to adapt to crisis situations. On the other hand, social capital can be negative, when authority participants use their social relations to prevent introducing innovations, keep their position or make benefits and profits over other less influential participants at the tourist market. In tourism, instead of being the subject of research itself, social capital is mostly used as a frame of research of other, more specific topics, such as rural tourism, entrepreneurship, sports events or tourism based on the community needs.

Mainly, three basic dimensions of social capital stand out (Ooi-Hooy et al., 2015, p. 144):

1. Networks-non-material dimensions presented by participants and their connections;
2. Norms and trusts – behavioural and psychological aspects of the participants taking part;
3. Common activities – enabled by the first two dimensions, which affect them at the same time.

Thus, social capital acts as a complex system arisen from the interactions which are impossible to control from one centre but yet is affected by specific goals (Park & Jei, 2012, p. 228). In tourism what connect large areas are those interactions, from a local to the international level. However, the role and the contribution of tourism to employment and to development varies significantly in scope, character and the degree of development as well as the importance given to tourist industry in a particular country or destination, which still cannot be said for the treatment of tourism in the economy of Serbia. Foreign tourists' consumption has multiplicative effects on the economy of Serbia as the consumption resources keep on circulating in the economy thus affecting economic trends. On the other hand, a more efficient use of tourist potentials cannot be achieved by merely possessing natural, archaeological and similar advantages for successful business in tourism, but more specified investments in hotels and restaurants are needed as well as in all sorts of infrastructure, human resources etc. so that an increasingly picky, i.e. demanding foreign tourist can be satisfied. From the aspect of the process of Serbia becoming a member of the EU, we should bear in mind that more and more attention and activities are dedicated to tourism and its role in making the gross domestic product.

Local economy development (LER) programme

In modern conditions for accelerating economic development, local economic development programmes can be created, which makes Smederevska Palanka, both as a town and tourist destination, join a small group of places in Serbia having this document thus being a role model for other municipalities of Podunavlje District. However, even if a destination subjectively participates as one entity, it, in fact, can represent a combination of more territory authority units where an assemblage of various participants work together (Saarinen, 2014, p. 53). In that context, the tourist destination of Smederevska Palanka and all Podunavlje District is defined as an assemblage of participants striving to work together so that tourism can be improved as means for raising the quality of their life. Therefore, social capital, in the whole of Podunavlje District, can be a basic resource for achieving collective goals in this destination. However, it is not the only individual property owned by only one participant nor it is necessarily a resource which entirely dated from before. Due to a large amount of unemployment and the stagnation in economic development LED is needed and its basic purpose is raising the living standard of the population. On the other hand, there is a question of whether Smederevska Palanka and the region will have power and possibilities to achieve all goals set in the Programme. It is not only a strategic but an operative document as well, with specific aims which are long-term and contribute to economy development of the town, i.e. of Podunavlje District, and to creating a favourable business surrounding. The management of a destination strives to recognize a local businessman, to help it in developing a certain type of tourism. The basic and utmost intention is that, with the help of this Programme, a local financial and administrative frame can be created for further economic development of the town of Smederevska Palanka and the region. The Programme defines the instruments of granting state help such as: Subventions, letting building grounds owned by the town with lessened or no compensation, letting business premises owned by the town with lessened or no compensation, infrastructural furnishing of the ground owned by the town with lessened or no compensation, providing funds for the equipment necessary for enlarging capacity or starting production, refusing to get local income of the town. Three major measures are anticipated: encouraging employment, which is already being done with the cooperation with the National Employment Service – the branch of Smederevska Palanka, and the new ones: attracting investors and encouraging competitiveness (LED Programme in Serbia in only four

municipalities, including Smederevska Palanka). The target groups referred to by the Programme are also defined. The Programme is intended for domestic and foreign investors, small and medium size companies and the investors that have registered business activity at the territory of Smederevska Palanka municipality. There is a subtly expressed wish and tendency in the Programme that it should encourage local companies investing in new types of tourism and in new accommodation and catering capacities. The Programme also stimulates involving the economy of Podunavlje District as a supplier or integral participant in tourist offer, i.e. new or innovated tourist product. The conditions and criteria for achieving motivating measures are especially emphasized in the Programme. Interested business subjects, with previously determined application documentation, have to hand in their business plan and a letter of intentions, which has to analyze the criteria of investing into the project in a clear way. There is a list of obligatory fulfilment criteria. The measure of attracting investors is connected with the number of employees, so investing results in the number of the employed net increase in comparison with the average number of employees of the economy subject in tourist field. Since the Programme relates to all economic activities there is a condition that investments and newly opened working places must be present at the territory of the Municipality in at least a five-year period if it is a production activity, and for three years in cases of services and small economy activities, in tourism. After achieving full employment, the funds user that uses a stimulus from the Programme pays off earnings which are at least 20% higher than the minimum earnings in the Republic of Serbia. Otherwise, the amount of the help is up to 50% in regards to the justified expenses of the initial investment. The basic measures are anticipated and at first place, it is the measure of attracting investors, primarily in health and recreational tourism. Its realization is ensured by the Budget for each calendar year and is directly related to the number of the newly employed, i.e. the amount of a stimulus depends on the number of the workers employed by the economy subject. The measure of encouraging competitiveness implies that a product innovation is an innovative production or market solution applied for the first time in Serbia or at least for the first time on the territory of Smederevska Palanka. Then, there can be a subvention in the form of co-financing partial development and service and market innovations if a business plan proves direct profitability of the innovative solution.

A stimulus to a business subject can also be supporting the development of cooperative societies, clusters and other forms of cooperation with a view of a joint approach to third markets or to a dominant buyer, in tourist activity, by co-financing a part of the expenses arising as a work result of different forms of association. This applies only if the business plan and cost and benefit analyses clearly prove that the sales of goods to third markets or to a dominant buyer cannot be done without a joint approach. This measure can last a year at longest. A business subject can be granted a stimulus for co-financing the costs of getting international certificates for the purpose of enabling domestic companies to enter foreign markets, if the profitability of that investment can be proved by the appropriate business plan. The amount of this co-financing is up to 50% of the direct costs of getting the certificate. The procedure of granting the funds requires, first of all, forming a competent Committee by Municipal assembly of Smederevska Palanka. The Committee consists of the president and six members. It makes proposals for granting funds in accordance with the adopted Budget of the town of Smederevska Palanka and the Programme as well. The Committee is obliged to set the Regulations for evaluating the requests. The decision about the funds to be granted is reached by the Town Council based on the Committee's proposal. Then, the mechanism of monitoring the funds expenditure will be based on commission work by forming a competent Supervision Committee, which will take control and visit legal entities – the funds users. If there is a violation in spending the granted funds, this committee gives its opinion and makes a measure suggestion. The Supervision Committee, formed by the Town Council, consists of the president and four members. In the activities of both committees competent skilled personnel will take part regardless of their political/party orientation, as professionals are needed for the efficient work of these committees. The town of Smederevska Palanka, for instance, can grant a legal entity the use of space needed for expansion or for starting a business process. The granted space can be a hall, business premises of some land owned by the municipality of Smederevska Palanka. A stimulus can also be providing a lease for a definite time and infrastructural equipping of business premises owned by the town (waterworks-sewerage system connection, electro-energy system connection). There is also a financial stimulus granted to a legal entity for the current year, intended clearly for renting business premises for production or other activity. Podunavlje District or the town can grant a stimulus to a business subject in the form of co-financing the purchase of the equipment necessary for expanding or starting a business process.

The business process of an economy subject that applied must be done in the business premises owned or rented by the subject, which is proved by the lease agreement that cannot last shorter than the period of the stimulus. This tourist destination should also be composed primarily of small and medium size companies, which should act together with the authorities and enterprises (Viken, 2014, p. 28). Social capital and tourism require a couple of participants at a destination who are mutually interacted (authority, enterprises or population) for mobilizing resources in the possession of individuals (knowledge, financial means or buildings) so that they can achieve common goals (tourism development, new jobs offer, making or maintaining profit). That dynamics can motivate or disable social capital creating, so, from being potential it becomes real through concrete collective actions.

Encouraging tourist economic development in Podunavlje District

One of the important questions of tourist development is how to encourage it. In order to make this economy activity attractive for investment it is necessary for entrepreneurship, innovations and other invisible development factors to develop within tourist economy (Petrović & Barović, 2018, p. 217). Often, destinations are not united organizations, so, for instance, there is not a coordinated co-acting, as tourist participants see one another as competitors. Furthermore, the population may not support tourism nor it takes an important part in it (Dudwich et al., 2006).

One of the models that can be applied in the development of a tourist destination is the so-called *iModel*. This model is an integrative model based on systematic thinking that helps in the making decision process which regards tourism as a phenomenon arising from a dynamic interaction system. Consequently, a tourist experience affects the surroundings, as an open system, which means that tourist activities affect the surroundings as well. Generally speaking, *iModel* enables defining the direction of interactions between, for instance, participants and individual visitors, or participants and organized groups. In the study of the concrete destination of all Podunavlje District, the methodology of *iModel*, being developed by applying theoretical knowledge and a case study analysis, can be used.

Firstly, the methodology composition which would use *iModel*, as an analysis instrument, examines the samples. The analysis is carried out to determine how to enlarge the social capital of a tourist destination so that it can enter the international market in such a way that will attract the

wanted visitors. Secondly, for directing the analytical process there are three sub-questions that can be suggested: What does already exist? (predecessors-present situation); What is missing? (diagnosis-problem setting up); How to solve the problem? (thinking about the solution-action plan). Thirdly, in order to analyze social capital as the key resource for making the entrance to other markets easier it is necessary to narrow the focus of the standard sub-questions, and it can be done by using the key dimensions of social capital (networks, norms and trust, joint activities). It makes the analyses easier according to the following logic (the example of a sub-question): which dimensions of social capital already exist related to each function of *iModel*, which are done by the participants? What are the basic data sources? The basic data are: field work, sessions with project managers, plans collecting, reports and other documents, experience in this type of research. According to these data we can analyze social capital functioning as well as the possibility of its enlarging, in order to find various guidelines for entering the international market.

Context and challenges – A case study

Podunavlje District Smederevo was founded in 1992, according to the Decree on performing ministry affairs and special organizations outside their head offices (Official Gazette of the Republic of Serbia, Belgrade, no. 15/06). Podunavlje District, with the headquarters in Smederevo, consists of the town of Smederevo and the municipalities of Smederevska Palanka and Velika Plana. Podunavlje District spreads out along the southern edge of Panonia basin and the north-eastern slopes of Šumadija hill terrain. On the north, it is bordered by the Danube and on the east side by the Velika Morava. Due to its favourable geographical position, natural resources (fertile land, forests, water) and extended communication network, for centuries this area has attracted many nations to pass by or stay here. The area of the District is 1 246 km². Smederevo as the centre of the District is only 45 km away from Belgrade. The ramified traffic network enables traffic connectivity of Podunavlje District by road, railway and waterways. Through Podunavlje District passes the highway Belgrade-Niš which is connected with the eastern part of Serbia via the bridge over the Morava. The District and the south of Serbia are connected with Vojvodina by the bridge over the Danube near Smederevo. Via Mala Kršna, the railway connects the District with Belgrade and the south of Serbia. The Danube is a great chance for developing water traffic since it enables a link with Middle

Europe and the Black Sea. The territory of Podunavlje District is rich in water as it goes out to the Danube and the Velika Morava. Considering the fact that the Danube is an international river, its importance for the District is great. Over the territory of the District the following rivers flow: the Jasenica, the Kubršnica and the Veliki Lug, and there is an artificial, accumulation lake Kudreč 1 and 2. According to the census from 2002, Podunavlje District has 210 290 inhabitants without displaced people and the people who have lived abroad for more than a year. The largest town centre is Smederevo with 109 809 residents (55.22%), then Smederevska Palanka with 56 011 (26.63%) and Velika Plana with 44 470 (21.1%). With 230 people per a km², this area is one of the most densely populated in Serbia. The area of the municipality of Sm. Palanka is 422 km² with 17 village settlements. Besides a good traffic connection with Belgrade as well as with the central part of Serbia, the railway Belgrade-Niš goes through the municipality of Sm. Palanka (the first train went through S.Palanka on the 15th of September 1884), and at Rudine there is a sports airport of the same name with a grass runway, which is more and more used for commercial purposes. The springs of mineral and thermo-mineral water are a special value of this area. Out of the spring of mineral water Kiseljak, which was already used by ancient Romans, "Karadjordje" water is bottled, which is rated the third water in Europe by its quality, with natural selenium in its chemical composition. Besides Kiseljak there are the springs of mineral water in Vodice and Cerovac. The spring of thermo-mineral water, whose temperature is 45.1 C⁰, which has excellent medicinal characteristics is of special importance. One of the priorities of Smederevska Palanka is to develop spa tourism and because of that strategic partners are being looked for. What is convenient is: extremely favourable geographical position; good road and railway connections with big industrial and consumer centres of Serbia, as well as the use of sports airport Rudine; the existence of completely infrastructurally and communally equipped industrial zones; low prices of land for building; the possibility of using the state subventions as well as the local authority stimulus; the existence of available working force; the efficient administrative agencies work on gaining agreements and issuing building and work permits.

The proposed Regional foundation "Tourism for Smederevo", which has to be founded for tourism promotion, with the role of the coordinator of regional tourism, represents a mid participant in the case study. The foundation should enable a joint updating of tourism development plans by which the development of experiential and creative forms of tourism

are planned. However, although the plan anticipates a focused and targeted approach, still there is not a collective ability of the destination to enter its international emitted markets.

The proposed regional foundation should, as its targeted market, to have Germany, as it is in this case study, and there are several reasons for that:

1. The Germans like travelling for the following reasons: nature, family picnics, adventures, sightseeing, culture, learning;
2. The Germans are among the first five nations visiting Serbia, and they come primarily because of some rest;
3. Germany has the highest density of travel agencies, and because of that it is very important as the market for organized groups;
4. Germany is traditionally the leading country, in the whole world, according the expenditure abroad per capita.

Therefore, in the context of the case study, the major question is formed in the following way: How can the tourist organization of Podunavlje District improve social capital in order to attract German organized groups?

The basic priority in accordance with determining the content of the regional economy development under the conditions of institutional uncertainty should have:

- The modernization of public administration and public services,
- The modernization and development of physical infrastructure, and
- The development of human capital.

The modernization of public administration and public services should be carried out on the principle of its fitting in the uniform national organizational and technical system, hierarchically structured in 4 levels (central, regional, sub-regional and local) with its marking characteristics in the targeted (European) surroundings. In this sense, the basic indications of the public administration and services modernization are (Theirstein et al., 2000):

1. The improvement of public administration and services efficiency by applying the concept "value for price", with the use of public management techniques and by creating transparent procedures for the evaluation of the achieved performances and the review of their work,
2. The introduction of a competition in offering public services by using internal market techniques and by providing public services

through some form of a partnership between public and private sectors.

Due to high general taxes and undeveloped financial infrastructure, the solutions should be looked for in developing a partnership between public and private sectors in the forms that will ensure the engagement of regional, i.e. local capital.

Results and discussion

In accordance with the set goals of perceiving the present state of affairs and determining the guidelines for future, the following can be discussed:

1. The capacity of *iModel* as an analytical instrument for researching social capital related to entering other markets;
2. The implications of the analysis result for enlarging social capital;
3. The theoretical relationship between systematic thinking and social capital in the context of tourism.

Scheme 1: *iModel* matrix survey

Sub-question	Social capital dimensions	Design
What already exists? (state)	Networks (who and where?)	There are no partnerships
	Norms and trust (how?)	Collective vision of the desired form of tourism
	Group activities (what and when?)	There is no initiative for offer modelling
What is missing? (diagnosis)	Networks (who and where?)	Potential partners' knowledge non-existence
	Norms and trust (how?)	Collective modelling structure non-existence
	Group activities (what and when?)	Design-targeted market profile non-existence
How to solve the problem? (action plan)	Networks (who and where?)	Partnership with DMO and tour-operators
	Norms and trust (how?)	Formalized partnerships for collective offer modelling
	Group activities (what and when?)	Targeted market profile and modelled offer

Source: According to the author's analysis

First, we will take a look at the capacities of *iModel* as most acceptable in grasping the scope and the possible growth of the social capital in Podunavlje District. After *iModel* is configured (for the main analysis question), despite its complexity, it should enable a more detailed analysis to be carried out. On the other hand, it allows all dimensions of social capital to be studied thoroughly with relation to each single function (e.g. design, distribution), bearing in mind the economy state of Podunavlje District, and its three municipalities.

This methodology can analyze the lack of the social capital of the destination, its insufficient use, negative effects and the possibility of its enlargement. The possible tourist Fund should be used as a starting point for analysis of the interactions of social capital in Tourist organization of Podunavlje District, with the focus on German tourist organized groups. Furthermore, *iModel* enables to determine whose participants are with the tourist organization and with which function. In the research, we can use social capital as a term enabling to narrow the focus of the case study analysis. Other destinations can use the same focus (or another theoretical approach) or concept so as *iModel* can be focused on the desired object of interest for the research. The purpose of *iModel* is not to give in advance defined answers, but a flexible frame for noticing dynamic phenomena, such as social capital and tourism. The participants should be able to recognize whether the decisions based on *iModel* application have a solid basis or not, in order to avoid trust loss, which is right one of the most sensitive dimensions of social capital. Finally, it is important to understand to what extent *iModel*, as an instrument, can affect the treatment of social capital in the tourist destination. The lack of trust prevents the participants from using efficiently their resources (e.g. money, time, human resources) within the framework of previously agreed plans.

The factors representing obstacles can be expressed by the non-existence of the matching organizational/institutional structures (Tavers & Leitao, 2017, p 837). Serbia has passed through a period of dramatic change during the previous fifteen years. However, this did not reflect fully on economic growth since the impact of the international financial crisis and numerous rounds of elections have slowed down necessary structural reforms in the country and led to a loose fiscal policy until 2014 (Pecujlija et al., 2017, p. 257).

The goal of the tourism development plan of Podunavlje District is to develop tourism that will respect the way of life of the local people, will encourage tourist activity as a planned activity and to develop a destination of unique, innovative and dynamic style, with a clearly defined targeted market, which responds to the local development vision. In reality, without a clearly defined targeted market, some determinants cannot be influenced so they become obstacles. It is a case with determinants such as defining the kind of information which can determine/analyze the market in order to set up business possibilities for attracting foreign tourists or to bring in innovations or to adapt to the targeted market (Pillmayer & Scherle, 2014, p. 334). People consider how difficult it is to achieve particular goals. They investigate whether they can achieve these goals through their own actions, whether the contexts of their surrounding circumstances are mitigating or aggravating factors, as well as whether they will have the necessary resources or opportunities at their disposal (Pecujlija et al., 2015, p. 910).

One of the basic goals of Podunavlje District is to get the status of a sustainable destination, and that initiative is connected with the function of service Configuration. Then, even the certificate itself can potentially improve a joint approach to the targeted market as the certificate issuer is a foreign subject that at the same time represents a reliable channel for spreading information toward that market and a first-hand information source for the destination itself. In that way, a foreign tour-operator can take a more active part in enlarging social capital for entering the market than many local service providers that decided not to participate in that process. The initiative enables the community to deal with a couple of determinants for internationalization, like a programme for stimulating tourism from state funds so that the international standards can be met, the ability to establish an income segment suitable for the destination, needs for reliable presentation abroad and a better international reputation (Dogru et al., 2017, p. 51).

All the mentioned should result in a potential improvement in the international trust and networks, which further results in the enlargement of social capital. However, one thing is to get a certificate while the other is to deal with the implementation and maintenance of efficient joint processes in a long period. A possible discrepancy between the invested effort and the results entails bad results in commercialization, which violates the trust in future collective initiatives. It can be neutralized by creating a collective platform of distribution and reservation (D&R) at

social capital dimension. Under the condition of precisely adopted norms, a tourist organization (TO) can gain enough trust so that it can have a mediatory role and link the offers of local participants with the targeted market. Thus, not only limited resources would be used to the maximum, but also local service providers would get free from the complex D&R process and would be able to focus on the functions in "taking part phase" of *iModel*. The model proves an interesting approach in the research of the complexity of social capital in destinations, especially because of the parallel that can be drawn between social capital and tourism as a forming phenomenon. For instance, a hotel alone cannot undertake group activities nor, on its own, it represents a complete tourist experience. A tourist organization should be a mediator that has a potential to initiate such changes as, e.g. (Petrović, 2015, p. 112): discovering joint opportunities, focusing on various resources usage, mediating among participants so that they can gather around common goals, and counselling on the ways to maintain the changes for a longer period of time. It is especially characteristic for the tourist destinations that are separate wholes with dynamic geographical borders, as it is Podunavlje District. Depending on the sort of visitors, visited places and the included participants, the territory of a particular destination will vary. For instance, organized German groups visiting attractive destinations often have an itinerary which includes other national and international destinations as well. In that tourist context, very visible is the dynamics of social capital which is not controlled from one centre. The most challenging dynamics aspect in tourist systems non-controlled from one centre is mediating between destination expectations, tour-operators and visitors.

However, even though a final experience cannot be completely centrally controlled, it can be influenced. From that perspective, social capital (by a mediatory role of an agent not interested exclusively in developing the commercial side of tourism) represents a resource that can channel collective efforts into a try-and-mistake process recurring again and again so that it could be possible to gradually come closer to the vision of a destination development. The suggested methodology *iModel*, which can be also used in Podunavlje District, is based on systematic thinking and enables us to determine which participants are included, where they are situated and which their roles are. It also enables a systematic analysis of social capital dynamics of a destination. Besides, it enables an insight into the ways a tourist organization can improve its role as a good service provider. It should be understood that social capital is the key resource, but it is usually latent, insufficiently used but also not developed enough.

Therefore, the participants with clearly defined competences represent a basis for enlarging social capital and collective possibilities. Such a participant in this market segment should have three major characteristics (Blagojević, 2015, p. 96): political support, an appropriate institutional infrastructure and technical competence to facilitate an operational realization of an agreement. In the particular case of Podunavlje District, as a unique destination, there are three key problems that should be a tourist organization (TO) priority: making decisions in the County, that is in town and municipality councils, process consolidation in order to keep the certificate for a sustainable destination and the use of capacities for collective possibilities of designing a tourist product and commercialization platform as well. These priorities are neither new nor specific for Podunavlje District, but what can be new is cognition that long-term, strategic activities can be initiated by constantly enlarging social capital. Under modern conditions of tourist business, it is best to treat a tourist destination as a territory dynamic entity whose borders are defined rather by the participants included in a tourist experience than by geographical area. In the context of the international market, a term "local participant" could refer more to the extent he takes part in making efforts for goals to be realized than to physical distance, i.e. neighbourhood.

Going forward, Serbia's main challenge is to improve living standards in the country and transform economic recovery into jobs in a tight fiscal environment. Increasing exports, productivity, and competitiveness are recommended actions that can help propel the country's economic growth. (Pecujlija et al., 2017, p. 257).

The suggested *iModel* which will be also applied at the destination of Podunavlje District represents a systematic thinking which proved useful for research in the destinations that used it. It is the relationship between social capital and the possibility of presenting a destination, as a collective appearance at the market, which also proves useful for the analysis of relationship itself up to a degree that enables defining activities and strategy. The reason for it is the fact that both social capital and tourism arise from complex interaction systems, which make them suitable for the research by a systematic thinking vision.

Conclusion

A clear definition of a targeted market would help social capital to be enlarged at a local and regional level since partnership destinations could

be chosen with the aim of creating routes that are more attractive to the international visitors. The suggested *iModel*, which could be applied even at a destination like Podunavlje District, could offer satisfactory effects. In the situation when it is important to formulate strategy and an adequate policy, *iModel* should be based on a systematic thinking and that policy is a crucial but not a decisive factor as its application methods enable a thorough analysis of a destination. It, then, enables not only an easier knowledge systematization and structuring, from the very beginning to diagnosis, but also planning activities in various phases of new processes and the ways of efficient and effective business operations in tourism.

It is just because of that, that the policy creators can expect a clear and more detailed insight into numerous ways various dimensions of social capital affect relevant elements of the tourist offer of a destination, i.e. of entering the international market. Further, it also affects the relationships between those determinants and the participants in creating tourist products (innovating the old and creating the new ones) at the destination of Podunavlje District. On the other hand, if this, *iModel*, is applied critically, it can play an important role for the policy creators when, in a limited term, they have to get a detailed insight into the problems.

However, if the suggested *iModel* is used only as a technocratic practice, unrelated to the goals standing before a destination, and without a follow-up by which it is possible to constantly update a series of cognitions about the dynamic of a collective, then it is very unlikely that the policy modelling will benefit from a potential *iModel* contribution. Yet, we should bear in mind that the applicability of *iModel* has been observed only from the aspect of social capital research (positive and negative), and not from other aspects of tourist destinations' setting up and functioning. Its broader and more detailed applicability can be interesting not only to researchers and scientific workers, in the field of tourist activity, but also to numerous tourist labourers that could apply that methodology in their tourist practice. The application of *iModel* is considered to be able to give efficient and effective results at a particular tourist destination, which would enrich tourist theory and by which efficient practical solutions would be found.

References

1. Blagojević, S. (2015). Podsticanje razvoja turističke privrede. *Turizam*, PMF Novi Sad, No. 9/2015, 90-105.

2. Bordieu, P. (1986). *The Forms of Capital*, in J.G. Richardson (ed.), Handbook of Theory and Research for the Sociology of Education, 241-258. New York: Grenwood Press.
3. Culiuc, A. (2014). Detrminants of International Tourism. *IMF Working Papers*, (14782), 46. DOI: 10. 5089/9781484383982.001
4. Dogru, T., Sirakaya-Turk, E., Crouch, G.J. (2017). Remodeling international tourism demand: Old theory and new evidence. *Tourism Management*, Vol. 60, 47-55. DOI: 10.1016/j.tourman, 2006.11.010-
5. Dudwick, N., Kuehnnast, K., Nyhan, Jones, V., Woolcock, M. (2006). *Analyzing social capital in cotext: A Guide to Using Qualitative Methods and Data*, Washington, D.C.:World Bank Institute.
6. Ooi, C.A., Hooy, C.W., Mat Som, A.P. (2015). Diversity human and social capital: Empirical evidence from Asian tourism firms in corporate board composition. *Tourism Management*, Vol. 48., 139-153.
7. Petrović, P. (2015). *Turizam i poslovna diplomatija*, PMF Novi Sad, Departman za geografiju, turizam i hotelijerstvo, Novi Sad.
8. Petrović, P., Barović, S. (2018). Development of tourism in Serbia in the context of an integral economy. *3rd International Scientific Conference*, Vrnjačka Banja, Serbia. 204-221.
9. Park, S.Y., Jei, S.Y. (2012). Determinants of voalality on international tourism demand v South Korea: an empirical note. *Applied Economics Letters*, Vol. 17, No. 3, 217-233. DOI: <https://DOI.ORG./10.180/13504850701720924>.
10. Pavlović, N., Ugrinović M., Vojnović B., Rudež J. (2014). Economic and agronomic analysis of conventional and organic concept of cucumber growing. *Economics of Agriculture*, Vol. 4/2014, 895 – 902.
11. Pecujlija, M., Jaksić, K., Drobnjak, S., Ćosić, I., Kesetović, Ž., Seslija, D. (2017). Serbian Companies reactivity and flexibility and their crisis management efficiency and effectiveness. *Journal of East European Management Studies*, Vol. 2/2017, 257 – 270.

12. Pecujlija, M., Cosic, I., Nestic-Grubic, L., Drobnjak, S. (2015). Corruption: Engineers are Victims, Perpetrators or Both?. *Science and Engineering Ethics*, 21: 907. Vol. 21, No. 4, 907–923.
13. Pillmayer, M., Scherle, N. (2014). The Tourism Industry and the Process of Internationalization in the Middle East: The Example of Jordan. *International Journal of Tourism Research*, Vol. 16, No. 4, 329-339. DOI: <https://doi.org/10.1002/jtr.1964>.
14. Saarinen, J. (2014). *Transforming Destination: A Discursive Approach to Tourist Destinations and Development*, In A. Viken and B. Granas (Eds.), *Tourism Destinations Development: Turns and Tactics*, 47-62. Surrey and Burlington: Ashgate Publishing.
15. Tavares, J. M., Leitao, N.C. (2017). The determinants of international tourism demand for Brazil. *TOURISM Economics*, Vol. 23, No.4, 834-845. DOI: <https://doi.org/10.5367/te.2016.0504>.
16. Theirstein, A., Schedler, K. Und Bieger, T. (2000). Die lernende Region: Regionale Entwicklung durch Bildung. *Zbornik radova*, Verlag Ruegger.
17. Viken, A. (2014). *Destinations Discourses and the Growth Paradigm. In Tourism Destination Development: Turns and Tactics*, 21-46. Surrey and Burlington: Ashgate Publishing.
18. Đenadić, M., Rudež, J. (2018). Wine tourism as a factor of Serbia tourism positioning. *3rd International Scientific Conference "TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA - Tourism in the Era of Digital Transformation"*, Faculty Hotel Management and Tourism in Vrnjacka Banja, University of Kragujevac, 645-662.

EXAMINING THE SUPPORT OF THE LOCAL COMMUNITY FOR THE DEVELOPMENT OF SUSTAINABLE MINING TOURISM

Darko Dimitrovski¹; Vladimir Senić²;

Abstract

There is an increasing interest in mines and facilities related to the mining and industrial heritage perceived as tourist attractions on the global scale. Mining tourism, as a specific tourist segment within the industrial heritage tourism, diversifies a largely standardised tourist offer, providing tourists with a different experience and aesthetics of the landscape. Mining tourism has the potential to improve the social, economic and environmental elements of the local community, as well as to expand the development of tourism within the regional scale. This study aims to examine the support of the local community for the development of mining tourism in the context of sustainable development. This topic is up to date as it deals with a specific relation between the local community and tourism. Mining tourism has the potential to enhance the development of sites which are otherwise not so attractive to tourists.

Key Words: *heritage, mining tourism, sustainable development, support, Bor, Serbia*

JEL classification: *Z32, Q01, Q56*

Introduction

The unique characteristic of mining is the ability to shape the space and local community with a set of functions that are specific to many mining areas around the globe (Ballard & Banks, 2003). Essential characteristics of the mining areas are geographical, economic and social isolation,

¹ Darko Dimitrovski, PhD, Associate Professor, Faculty of Hotel Management and Tourism, University of Kragujevac, Vojvodjanska 5a, 36210 Vrnjačka Banja, Serbia, e-mail: darko.dimitrovski@kg.ac.rs

² Vladimir Senić, PhD, Full Professor, Faculty of Hotel Management and Tourism, University of Kragujevac, Vojvodjanska 5a, 36210 Vrnjačka Banja, Serbia, e-mail: v.senic@kg.ac.rs

adverse effects on the natural environment, the presence of massive objects and infrastructure that influence the landscape and an active workers' movement. Mining communities differ; thus generalisations should be avoided (Veiga et al., 2001; Leadbeater, 2008).

Industrial heritage tourism studies the development of tourist activities, with the focus on the buildings and landscapes that originate from earlier periods of intensive industrialisation. Mining tourism is part of broader industrial heritage tourism, which deals with the history of mining and mining settlements (Edwards & Llurdes, 1996; Nuryanti, 1996).

The value of mining tourism is not based on its artistic significance, but in the cultural and historical context, it acts as a witness to industrial processes that have reshaped society. The mines transform landscapes, so it is interesting for tourists to see the change in the authenticity of the geographic area by a man, which usually includes a visit to the mining facilities as well. Sustainable development in the context of mining does not call into question the long-term economic justification of resource extraction; however, it focuses attention on measures against negative social and environmental consequences (Kumah, 2006). This concept ensures minimum sustainability if mining is used to provide funds as an incentive for economic development.

Mines and factories are not just ordinary working places, but also an opinion, and beliefs exchange centers and origins of subculture inherent only for mining areas. Local communities that describe themselves as mining communities express miner's romanticism based on a constant reminder of the harsh working conditions in mines and nurture a unique attitude towards mining areas accordingly. The mining heritage has high emotional value for them and creates a closed subculture that is defined by beliefs and a particular value system.

This paper aims to examine to what extent local population perceives the relation between different aspects of sustainability and the support of the overall sustainability of mining tourism. The results of the research can help organisations and individuals interested in tourism development, with a particular emphasis on the mining heritage tourism, in the creation of a tourist offer and its promotion, and consequently on improving the quality of life of the local community.

The historical context of the study

Serbia's mining heritage is inextricably linked with the period of socialism, when the ruling party structure favoured the development of heavy industry, the construction of megalomaniac industrial objects with the aim of impressing the working class and creating a sense of pride.

The territory of the City of Bor (Figure 1) is located in the central part of eastern Serbia. The area of the city is 856 km², and in this respect, it can be regarded as one of the larger cities in Serbia. In 14 settlements of the city there are 55,817 inhabitants.

Figure 1: *City of Bor*



Source: Retrieved from <http://tobor.rs/turisticka-ponuda/>

The development of mining in this area has existed since ancient times, but considerable exploitation of copper starts in 1902 when engineer Franjo Šistek performs field prospecting. Over time Bor becomes a multinational and multi-confessional environment in which various ethnic groups coexist. During the World War II, the copper in Bor was massively used by the Germans. Following the war, city rapidly expanded and became a mining and industrial centre of the national, European and world importance. By the mid-1990s, RTB Bor employed about 14,000 workers. In addition to mining and metallurgy, other economic branches and social activities were developed, so Bor became the economic, educational, health, cultural and sports centre of eastern Serbia.

Sustainability of mining tourism

Sustainable tourism development is a long-term approach that ensures economic and social growth without compromising the environment, with a fair distribution of costs and benefits. The support of the local population for achieving sustainability is essential to ensure the long-term development of tourism. Several studies suggest that it is impossible to sustain the tourism of a particular destination without the support and participation of the local community (Ahn et al., 2002; Twinning-Ward & Butler, 2002; McCool et al., 2001; Gursoy & Rutherford, 2004).

Tourism that is based on the essential characteristics of the local community has become a viable option for the development of passive regions, because tourism provides economic benefits for the local population (Bramwell & Lane, 1993; Marinković et al., 2017), promotes a destination (Boo & Busser, 2006) and allows visitors to have high-quality experience (Shrestha et al., 2007).

Social sustainability

In the social context, mining is associated with the exploitation of miners and the difficult life of their families. Mines do not provide only jobs, but they also act as community gathering points of culture specific to the mining region. For a particular area, monuments and artefacts are not the sole elements of its history, but also people and local community whose lives, energy and customs have made these spaces they are today (ERIH, 2001a). Jones and Munday (2001) highlight the importance of mining in terms of specific systems of attitudes and values that include religion, customs and language.

Tourism based on mining heritage enables preservation and understanding of complex social legacy, providing the opportunity for the local community to rejoin and celebrate its past (Dicks, 1999; Harvie, 2002). Hospers (2002) indicates that the development of tourism and the creation of industrial heritage attractions can enhance the pride of the local community with their history (Dimitrovski et al., 2017). The change in the way mining landscapes transform from the place of production to the place of consumption also lead to significant cultural changes that require adjustment. The focus on the number of tourists and profitability led to the emergence of entertainment, while education as an essential part of the offer of mining heritage tourism is neglected. Therefore, it is

necessary to make the right balance between the economic objectives, tourists and expectations of local population.

Overton (1999) argues that the social elements of sustainability have not received the importance they deserve. His discussion on social sustainability encompasses the extent to which communities have control over the development which occurs in their local community, with the aim of gaining insights on why tourism in a region is not sustainable in practice.

An important element of the social sustainability of mining areas is the involvement of the local community in the establishment and functioning of the museum of mining heritage. The existence of a mining museum allows employment of former miners and descendants of miners as guides in a museum or during the guided visit to the mine. They can transfer their knowledge to tourism workers by adapting their life stories about the development of the mining community following the demands of tourists. Jones and Munday (2001) describe the efficiency of the involvement of former miners as guides within the mining tourism. In this way, the importance of local "experts" is recognised, while contacts with the local community are strengthened (Sandell, 2003).

For the development of mining tourism, it is also important to provide support to political factors, to ensure the political and economic certainty of its further development. In this process, it is necessary that the local population take part in the decision-making process, with the possibility to share their experiences, skills and knowledge. Many mining companies have the interest to be responsible towards the local population, and they are more and more aware of the need to reduce conflict with critical stakeholders (Black, 2006; Kapelus, 2002). According to the previous, the following hypothesis was formulated:

H1: Perceptions of the local population regarding social sustainability benefits affect the support for mining tourism sustainable development

Ecological sustainability

Mining communities throughout the world share the heritage of degradation of the natural environment (Mayer & Greenberg, 2001; Bridge, 2004; Leadbeater, 2008). Mining has a significant impact on human environment that extends far beyond a pit, and it is in particular

related to air, land, surface water supply pollution, as well as severe and long-term effects on the health of local population. Long-standing problems of the pollution of the environment of these areas negatively affect the attractiveness of mining destinations (Mayer & Greenberg, 2001). In the regions where mining remains a productive industry, the balance between mining and environmental protection and the health of the local population is difficult to achieve.

It may seem absurd that mining areas have some ecological value and should be protected, especially if we observe antagonism concerning the current state and untouched nature from the pre-mining phase (Jansen-Verbeke, 1999). There is a legal obligation to restore the surface used for mining after the completion of the exploitation, however some authors (Alfrey & Putnam, 1992; Leary & Sholes, 2000) warn that returning to the appearance of the period before mining will erase the evidence of industrial past and existence of its activities will be removed from geographical environment. Removing mines from a specific area can lead to the deletion of evidence of the presence of a former dominant activity in the minds of future generations and deletes a close link between the geographical area and the local community. The argument confirms this notion that mines should remain where they are, as an authentic part of broader environment.

Protecting and restoring the natural environment that has been degraded by the development of mining is an essential aspect of mining tourism development, as the local population will regain respect for the natural environment as an important and valuable resource. A limited regeneration of a natural setting creates publicity about broader social engagement, promoting areas that have radically changed as a result of human activity, and now again contains visually attractive landscapes. The traditional sense of aesthetics has in the past denied any value concerning untouched nature-mining exploitation, and today a new image of mining areas in the minds of future tourists is created regarding the mining heritage and natural environment. In terms of nature protection, holistic planning approaches are recommended, which involve the bonding of mining tourist attractions with a direct natural environment.

Garfield (1990) proposes bonding multiple sites of industrial heritage to creating industrial and mining heritage routes (ERIH, 2001a, 2001b). Alongside these routes, tourists follow the phase change of the environment from untouched nature to its final change to the present

purpose. The example of Bor shows the readiness to combine the attractions of the mining heritage with the natural beauty of the immediate natural environment such as Borsko jezero (the Lake of Bor), Brestovačka Banja, Crni Vrh, Lazarev kanjon (Lazar's Canyon), Zlotska pećina (the cave of Zlot) and Dubašnica, creating a tourist offer of diverse content that can be directed towards a wider range of tourists. Therefore it is recommended that the authenticity of the mining areas could be connected with excursions to unspoiled nature in the immediate environment. In this way, tourists will be able to understand the relationship between nature and the man, as part of the historical, life and natural cycle.

H2: Perceptions of the local population regarding environmental sustainability benefits affect the support for mining tourism sustainable development

Economic sustainability

Dale (2002) and Veiga et al. (2001) define mining community as a community of people especially affected by mining as a business. Mining cities are characterised by high dependence on the mining industry, thanks to which a city owes its survival (Stephenson & Wray, 2005). Mining communities are usually located in areas that are economically and physically peripheral to large urban areas. In these mining communities, physical distance also contributes to economic marginalisation, especially in the situation when a mine is closed or when it reduces production, so in this situation, they seek alternative economic activities (Maude & Hugo, 1992; Veiga et al., 2001).

One of the economic alternatives to mining areas is the development of tourism, and in particular, the development of mining heritage-based tourism that combines social and natural elements. The development of tourism has proved successful at numerous locations through the presentation of the mining heritage (Dicks, 2000; Edward & Llurdes 1996; Wanhill, 2000). Mining tourism allows greater employment, providing an alternative to life on social subsidy. The development of mining tourism leads to the creation of a new image of Bor as a city, the city with a higher quality of life, greater employment and active protection of natural and cultural values in the function of tourism development.

The future development of mining communities must be based on the diversification of the economy towards projects promoting mining tourism. The development of tourism projects also supports local business initiatives, with the aim of providing an alternative to the monopoly of the mining sector, lowering the dependency of the local community with the mining. The authentic ambience of industrial and mining heritage provides the opportunity to promote these attractions to tourists. By enhancing the image of the mining area, especially in the ecological and social aspect, the industrial heritage has the capacity to generate the income and attract the new investments to the city (Hospers, 2002).

A local community that plans and uses tourism as an alternative way of fostering economic development must develop sustainable tourism that can meet the needs and demands of its inhabitants (Puczko & Rätz, 2000). A sustainable approach to the development of mining heritage tourism must stimulate a proactive attitude toward wider economic growth and in this way acts as a catalyst for positive economic change (Hospers, 2002). The reuse of industrial landscapes and buildings nowadays is a standard approach within the spatial planning that provides conditions for the economic regeneration of space (ERIH, 2001b). Thanks to the ERIH organisation which promotes tourist activities around industrial monuments (anchor points), the development planning initiative for abandoned industrial landscapes is initiated through the concept of sustainable development, raising people's awareness of the quality of a human-centred environment (ERIH, 2001b).

There are also negative aspects of the development of tourism based on the mining heritage. The direct economic benefit of mining tourism is overestimated, because mining tourism is a small tourist segment, and as such attracts only daily visitors (Hospers, 2002). Consequently, the economic benefit is limited to visits to the mining museum and catering and commercial buildings in the immediate vicinity (Hospers, 2002; Walton, 2002). Apart from attracting only a specific profile of tourists, it is crucial to understand the seasonal character, as benefits related to the employees are limited because seasonal employment can not wholly replace the unemployment that occurred after the closure of the mine (Burns, 1993; Stobart & Ball, 1998).

H3: Perceptions of the local population regarding economic sustainability benefits affect the support for mining tourism sustainable development

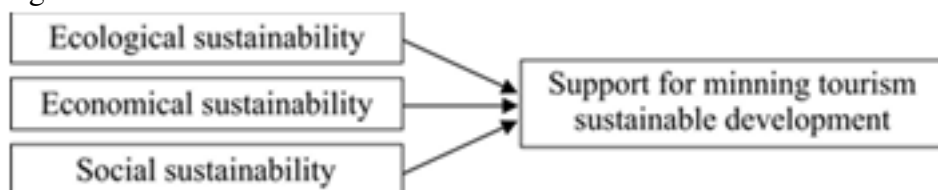
Methodology and result interpretation

Data collection and sample

The research was conducted with the aim of identifying key aspects of the sustainability of mining tourism perceived by the local population. The questionnaire includes statements related to the sustainability dimensions of mining tourism: social, economic and environmental sustainability. The research model (Figure 2) used for empirical research includes four variables: social, economic and ecological sustainability, and support for the sustainable development of mining tourism. Independent variables are social, economic and environmental sustainability, while the dependent variable is support for sustainable development of mining tourism. The survey was conducted on a sample of 120 respondents, local community members from the mining city of Bor, Serbia. When sampling strategy was formulated, it was taken into account that the sample comprised approximately the same number of women and men, varying degrees of education and various occupations, and encircle respondents of different age categories ranging from 18 to 70 years.

The structure of the sample (Table 1) consists of 40.8% of male and 59.2% of female respondents. The majority of respondents belong to the age groups of 21-25 years (34.2%), and 36-45 years (26.9%), whereas 25% of the respondents are between 26-35 years of age. The smallest number of the respondents were in the age groups of 46-55 years (7.5%), up to 20 (4.2%) and over 60 years of age (2.5%). If the level of education was analysed, 40.0% of the respondents have completed secondary education, 30.8% have a university degree, and 28.3% of the respondents have an elementary-level education. When it comes to employment, the sample covers 55% of employees and 45% of the unemployed. Concerning marital status, 55.8% of the respondents are married, and

Figure 2: *Research model*



Source: *Prepared by the authors*

44.2% of the respondents are single. The sample is mostly made up of respondents in various ways involved in mining as a business (65%), while respondents who are not engaged in mining encircle 35% of the total sample.

Table 1: *Socio-demographic characteristics of the sample (n=120)*

Gender	Number of the respondents (%)	Employment	Number of the respondents (%)
Male	49 (40.8%)	Employed	66 (55.0%)
Female	71 (59.2%)	Unemployed	54 (45.0%)
Age group		Miners	
<20	5 (4.2%)	Yes	78 (65.0%)
21-25	41 (34.2%)	No	42 (35.0%)
26-35	30 (25.0%)		
36-45	32 (26.7%)	Education	
46-60	9 (7.5%)	Elementary	34 (28.3%)
>60	3 (2.5%)	Secondary	48 (40.0%)
		Higher	1 (8%)
Marital status		Bachelor	37 (30.8%)
Married	67 (55.8%)		
Single	53 (44.2%)		

Source: *Prepared by the authors*

To create a clear and concise questionnaire, a focus group was organised. To propose the questionnaire which will be easy to use, the questionnaire consisted of one printed page. After preparing the questionnaire, the survey was previously tested on a small sample of 20 randomly selected respondents. The results of this pilot study revealed that the statements in the questionnaire were clear and easy to understand and there was no need for any additional changes. With the help of the Tourism Organization of Bor, the questionnaires were distributed to persons employed in the Mining and Smelting Basin Bor and distributed to the local population. The respondents who agreed to participate in the research were given reasonable amount of time to consider their answers. It was decided that the interviewers contact the respondents and collect the questionnaires after a three-day period. Of the total number of 150 distributed surveys, 130 surveys were returned to the interviewers. After that, the questionnaires were examined, and 10 of them were excluded from further analysis, since they were not adequately filled in. Bor is the appropriate research setting because there is an excellent potential for the development of tourism of mining heritage.

Measures

The statements were selected by reviewing the relevant literature. Social sustainability was measured by six items that were isolated from the following studies (Chen & Chen, 2010; Dyer et al., 2007; Kuvan & Akan, 2005; Vargas-Sánchez et al. al., 2009; Oviedo-Garcia et al., 2008; and Choi & Sirakaya, 2005). Economic sustainability was measured by two items that were isolated from the Vargas-Sánchez, et al. (2009) and Dyer et al. (2007). Four items were used for ecological sustainability based on studies done by Kuvan and Akan (2005) and Choi and Sirakaya (2005). The support for the sustainable development of the mining heritage tourism was measured by two items based on the research done by Lee (2013) and Dyer et al., (2007). All items were additionally adapted for this study. The research model is shown in Figure 2. All statements were measured using the Likert scale of five points (1 - I completely disagree, 5 - I completely agree).

Data analysis

Data analysis was carried out through the Statistical Package for Social Sciences (version 21.0). As for the statistical analyses used, the authors opted for factor analysis and multiple regression analysis.

Results

Descriptive statistics, i.e. mean values with the standard deviation of all items used in the research are shown in Table 2. Mean values range from 3 to 4, suggesting that there is no significant difference in the perception of the local community towards different dimension of the sustainability. The highest mean value is for the item labelled: *The development of mining tourism should be organized in accordance with the needs of sustainable development in the future* (4.55), which suggests that the local community members have high awareness of the requirement that tourism development needs to be implemented in a sustainable manner. The lowest mean value is for the item named: *The development of mining tourism contributes to reduced air pollution* (3.52), which is reasonable as the mining is still active and its pollution cannot be ignored, regardless of tourism development. On the level of the variable, Support for mining tourism sustainable development (4.5) the highest mean values, confirming the local community provide significant support for the development of mining tourism in a sustainable manner. Conversely, the

perception of the local community towards Ecological sustainability (3.66) was found lowest, which suggests that local community have a negative attitude of the ecological effects of mining tourism development, especially in comparison to the other sustainability aspects.

Table 2: *Descriptive statistics*

Items	Total mean	SD
Ecological sustainability (Cronbach's alpha coefficient 0.896)	3.66	0.95
The development of mining tourism contributes to the reduction of waste	3.65	1.07
The development of mining tourism contributes to reduced air pollution	3.52	1.17
The development of mining tourism affects the growth of green areas and recreation areas	3.73	1.12
Mining tourism protects the environment	3.72	0.99
Economic sustainability (Cronbach's alpha coefficient 0.846)	4.12	0.78
Mining tourism leads to greater investment and infrastructure improvements	4.20	0.79
Mining tourism leads to an increase in income and living standards	4.03	0.88
Social sustainability (Cronbach's alpha coefficient 0.860)	3.97	0.68
The development of mining tourism provides easier access to information of local importance	3.82	0.88
The development of mining tourism improves the quality of public services	3.84	0.92
The development of mining tourism raises the quality of the hotel-catering offer	4.19	0.83
The development of mining tourism encourages the local population to stay in the place of residence	4.10	0.90
Mining tourism influences the preservation of national and cultural identity	4.06	0.80
The development of mining tourism improves the educational level of the population	3.79	0.99
Support for mining tourism sustainable development (Cronbach's alpha coefficient 0.615)	4.50	0.58
I consider that my municipality is an attractive destination for the development of mining tourism on a sustainable basis	4.46	0.75
The development of mining tourism should be organized in accordance with the needs of sustainable development in the future	4.55	0.60

Source: *Result findings*

Based on the earlier literature review, the most significant dimensions of sustainability were separated. To investigate if the separated variables have a satisfactory level of internal reliability, the Cronbach Alpha coefficient was calculated. The Cronbach alpha coefficient is significant

to acknowledge if the detected variables separated from the literature review were later on usable for multiple regression analysis. Values of Cronbach's alpha coefficient for obtained factors are higher than the required minimum threshold which is 0.6 (Robinson et al., 1991).

Finally, multiple regression analysis was conducted with the aim to examine the impact of three independent variables (economic, ecological and social sustainability) to the Support for mining tourism sustainable development (dependent variable). The obtained results shown in Table 3 indicate a significant influence of economic sustainability ($\beta = 0.318$, $t = 3.895$), while the other two dimensions of the sustainability have found to be non-significant.

Table 3: *Results of multiple regression analysis (dependent variable Support for mining tourism sustainable development)*

Independent variables	β	t	Sig.
Economic sustainability	0.318	3.895	0.000**
Ecological sustainability	- 0.032	- 0.506	0.614 ^{ns}
Social sustainability	0.089	0.854	0.395 ^{ns}

Notes: Significant at $p < 0.01$ (**), non-significant(^{ns}); $R^2 = 0.227$; $F = 11.368^{**}$

Source: *Result findings*

During the implementation of multiple regression analysis, it is desirable to examine whether there is a problem of multicollinearity. Then the issue of multicollinearity can be determined by the calculated value of the VIF. The question of multicollinearity will not occur if the values of the VIF coefficient are less than 5 (Field, 2000). The values of the given coefficient in this study range from 1.63-2.25, which is considered to be adequate values.

Conclusion

Generations that grow up based on information technologies and virtual reality will soon begin to appreciate wider social engagement. Hence, interest in industrial plants and mining communities and their features can be expected to be such as that for cathedrals in historical cities (Harris, 1989).

The conducted research provides a significant contribution to the existing literature by highlighting the connection of various aspects of sustainability and support for sustainable tourism development in the

specific ambience of the local mining community. Similar research has been implemented in a very small number of studies in the field of tourism, and in that sense, the proposed research model is novel. The research findings confirm that there is a significant link between the perception of economic sustainability and support for the sustainable development of tourism, primarily as a result of high expectations of potential economic benefits to the local community that potentially can arise from the development of mining tourism. This result is a consequence of the adverse effects of the global economic crisis, primarily because the study is conceived in a mining community that is mostly dependent on the development of mining, and which has recently been confronted with severe economic problems. Also, the municipality of Bor is among the economically least developed cities in Serbia.

On the other hand, the results of the conducted research did not confirm a significant link in the attitudes of the local population about the benefits of achieving ecological and social sustainability when it comes to supporting sustainable development in the context of the development of mining tourism. It is interesting to point out the fact that the results indicate that the local population views its support for sustainable development exclusively in the context of economic development, while the perception of ecological and social sustainability does not stand out as an important antecedent of the support for the development of mining heritage tourism. The social and economic crisis that is being developed through the crisis of unemployment and the emigration of the young and educated population has a serious impact on the identity of the local community. Tourism has the potential to provide new development opportunities for distant and passive areas. Development of tourism based on industrial heritage, interest in local culture and identity has been raised, enabling the continuity of the mining community (Dicks, 2000).

These research findings point out that development of mining heritage tourism in the future needs to pay particular attention to the emphasis on environmental and social benefits and their importance for improving the quality of life in the local community. Marketing activities must be aimed at improving the quality of tourist experience, but also the quality of life of local population because sustainability is not possible to achieve without support at the local level.

Finally, it is important to point out several limitations of the conducted research. Firstly, the size of the sample was at the lower limit, primarily

as a consequence of apathy and lack of interest of local people to participate in the research. When designing the model, the basic model was based on the main pillars of sustainability, respectively the perception of their benefits, but in future research, it would be desirable to test an advanced model that includes positive and negative aspects of tourism development in the context of achieving sustainable tourism development. Also, future models can consist of some additional variables such as image and social attachment, and different demographic segments can be analysed separately, depending on their income, age, educational structure and inclusion in tourism development.

References

1. Ahn, B., Lee, B., Shafer, C. S. (2002). Operationalising Sustainability in Regional Tourism Planning: An Application of the Limits of Acceptable Change Framework. *Tourism Management*, Vol. 23, 1-15.
2. Alfrey, J., Putnam, T. (1992). *The Industrial Heritage: Managing Resources and Uses*, Routledge, London.
3. Ballard, C., Banks, G. (2003). Resource Wars: The Anthropology of Mining, *Annual Review of Anthropology*, Vol. 32, 287-313.
4. Black, L. D. (2006). Corporate Social Responsibility as Capability: The Case of BHP Billiton. *The Journal of Corporate Citizenship*, Vol. 23, 25-38.
5. Boo, S., Busser, J. A. (2006). Impact Analysis of a Tourism Festival on Tourists' Destination Images. *Event Management*, Vol. 9, No. 4, 223-237.
6. Bramwell, B., Lane, B. (1993). Sustainable Tourism: An Evolving Global Approach. *Journal of Sustainable Tourism*, Vol. 1, No. 1, 1-5.
7. Bridge, G. (2004). Contested Terrain: Mining and the Environment. *Annual Review of Environmental Resources*, Vol. 29, 205-59.
8. Burns, P. (1993). Sustaining Tourism Employment. *Journal of Sustainable Tourism*, Vol. 1, No. 2, 81-96.
9. Chen, C. F., Chen, P. C. (2010). Resident Attitudes toward Heritage Tourism Development. *Tourism Geographies*, Vol. 12, No. 4, 525-545.

10. Choi, H. S., Sirakaya, E. (2005). Measuring Residents' Attitude Toward Sustainable Tourism: Development of Sustainable Tourism Attitude Scale. *Journal of Travel Research*, Vol. 43, 380-394.
11. Dale, B. (2002). An Institutional Approach to Local Restructuring: the Case of Four Norwegian Mining Towns. *European Urban and Regional Studies*, Vol. 9 No. 1, 5-20.
12. Dicks, B. (1999). The View of our Town from the Hill: Communities on DIspay as Local Heritage. *International Journal of Cultural Studies*, Vol. 2, No. 3, 349-368.
13. Dicks, B. (2000). *Heritage, Place and Community*, University of Wales Press, Cardiff.
14. Dimitrovski. D., Senić. V., Marić. D., & Marinković. V. (2017). Commemorative events at destination memorials—a dark (heritage) tourism context. *International Journal of Heritage Studies*, Vol. 23, No. 8, 695-708.
15. Dyer, P., Gursoy, D., Sharma, B., Carter, J. (2007). Structural Modeling of Resident Perceptions of Tourism and Associated Development on the Sunshine Coast, Australia. *Tourism Management*, Vol. 28, No. 2, 409-22.
16. Edwards, J., Llorde's, J. (1996). Mines and Quarries. Industrial Heritage Tourism. *Annals of tourism research*, Vol. 23, 341-363.
17. ERIH (European Route of Industrial Heritage) (2001a). European Route of Industrial Heritage: The masterplan.
18. ERIH (European Route of Industrial Heritage) (2001b). Our common heritage. Executive Summary.
19. Field, A. (2000). *Discovering Statistics using SPSS for Windows*, Sage Publication, Thousand Oaks, USA.
20. Garfield, D. (1990). Crossing Boundaries. *Museum News*, Vol. 69, No. 6, 43-7.

21. Gursoy, D., Rutherford, D. G. (2004). Host Attitudes Toward Tourism-An Improved Structural Model. *Annals of Tourism Research*, Vol. 31, No. 3, 495-516.
22. Harris, F. (1989). From the Industrial Revolution to the Heritage Industry. *Geographical Magazine*, Vol. 61, 38-42.
23. Harvie, C. (2002). Engineer's Holiday: LTC Rolt, Industrial heritage and Tourism. In H. Bcrghoff, B. Korte, R. Schneider and C. Harvie (Eds.), *The Making of Modern Tourism* (pp. 203-223). Basingstoke: Palgrave.
24. Hospers, G. J. (2002). Industrial Heritage Tourism and Regional Restructuring in the European Union. *European Planning Studies*, Vol. 10, No. 3, 397-404.
25. Jansen-Verbeke, M. (1999). Industrial Heritage: A Nexus for Sustainable Tourism Development. *Tourism Geographies*, Vol. 1, No. 1, 70-84.
26. Jones, C., Munday, M. (2001). Btaenavon and United Nations World Heritage Site Status: Is Conservation of Industrial Heritage a Road to Local Economic Development? *Regional Studies*, Vol. 35, No. 6, 585-590.
27. Kapelus, P. (2002). Mining, Corporate Social Responsibility and the “Community”: The Case of Rio Tinto, Richards Bay Minerals and the Mbonambi. *Journal of Business Ethics*, Vol. 39, No. 3, 275-296.
28. Kumah, A. (2006). Sustainability and Gold Mining in the Developing World. *Journal of Cleaner Production*, Vol. 14, No. 3/4, 315-323.
29. Kuvan, Y., Akan, P. (2005). Residents’ Attitudes Toward General and Forest-related Impacts of Tourism: The case of Belek, Antalya. *Tourism Management*, Vol. 26, 691-706.
30. Leadbeater, D. (ed.) (2008). *Mining town crisis: globalization, labour and resistance in Sudbury*. Fernwood, Halifax.
31. Leary, T. E., Sholes, E. C. (2000). Authenticity of Place and Voice: Examples of Industrial Heritage Preservation and Interpretation in the US and Europe. *Public Historian*, Vol. 22, No. 3, 49-66.

32. Lee, T. H. (2013). Influence Analysis of Community Resident Support for Sustainable Tourism Development. *Tourism Management*, Vol. 34, 37-46.
33. Marinković, V., Dimitrovski, D., & Senić, V. (2017). Going for gold as a leisure tourism continuum: clustering motivations for gold panning revisit intention. *Leisure Studies*, Vol. 36, No. 6, 764-777.
34. Maude, A., Hugo, G. (1992). Mining Settlements in Australia. In: C. Neil, M. Tykkäinen and J. Bradbury (Eds.), *Coping with closure: an international comparison of mine town experiences* (pp. 66-94), Routledge: London.
35. Mayer, H., Greenberg, M. (2001). Coming Back From Economic Despair: Case studies of Small- and Medium-size American Cities. *Economic Development Quarterly*, Vol. 15, No. 3, 203-16.
36. McCool, S. F., Moisey, R. N., Nickerson, N. P. (2001). What Should Tourism Sustain? The Disconnect with Industry Perceptions of Useful Indicators. *Journal of Travel Research*, Vol. 40, No. 4, 124-131.
37. Nuryanti, W. (1996). Heritage and Postmodern Tourism. *Annals of Tourism Research*, Vol. 23, 249-260.
38. Overton, J. (1999). Sustainable Development and the Pacific Islands. In: J. Overton and R. Scheyvens (Eds.), *Strategies for sustainable development: Experiences from the Pacific* (pp. 1-15). London: Zed Books.
39. Oviedo-Garcia, M. A., Castellanos-Verdugo, M., Martin-Ruiz, D. (2008). Gaining Residents' Support for Tourism and Planning. *International Journal of Tourism Research*, Vol. 10, 95-109.
40. Puczkó, L., Rátz, T. (2000). Tourist and Resident Perceptions of the Physical Impacts of Tourism at Lake Balaton, Hungary: Issues for Sustainable Tourism Management. *Journal of Sustainable Tourism*, Vol. 8, No. 6, 458-478.
41. Robinson, J. P., Shaver, P. R., Wrightsman, L. S. (1991). Criteria for Scale Selection and Evaluation. *Measures of personality and social psychological attitudes*, Vol. 1, No. 3, 1-16.

42. Sandell, R. (2003). Social Inclusion, the Museum and the Dynamics of Sectoral Change. *Museum and Society*, Vol. 1, No. 1, 45-62.
43. Shrestha, R. K., Stein, T. V., Clark, J. (2007). Valuing Nature-based Recreation in Public Natural Areas of the Apalachicola River region, Florida. *Journal of Environmental Management*, Vol. 85, No. 4, 977-985.
44. Stephenson, C., Wray, D. (2005). Emotional Regeneration Through Community Action in Post-industrial Mining Communities: The New Herrington Miners' Banner Partnership. *Capital and Class*, Vol. 87, 175-200.
45. Stobart, J., Ball, R. (1998). Tourism and Local Economic Development: Beyond the Conventional View. *Local Economy*, Vol. 13, No. 3, 228-353.
46. Twinning-Ward, L., Butler, R. (2002). Implementing STD on a Small Island: Development and Use of Sustainable Tourism Development Indicators in Samoa. *Journal of Sustainable Tourism*, Vol. 10, No. 5, 363-387.
47. Vargas-Sánchez, A., de los Ángeles Plaza-Mejía, M., Porras-Bueno, N. (2009). Understanding Residents' Attitudes Toward the Development of Industrial Tourism in a Former Mining Community. *Journal of Travel Research*, Vol. 47, No. 3, 373-387.
48. Veiga, M., Scoble, M., McAllister, M. (2001). Mining with Communities. *Natural Resources Forum*, Vol. 25, 191-202.
49. Walton, J. K. (2002). British Tourism Between Industrialisation and Globalisation - An Overview. In: H. Berghoff, B. Korte, R. Schneider and C. Harvie (Eds.), *The Making of Modern Tourism* (pp. 109–133). Basingstoke: Palgrave.
50. Wanhill, S. (2000). Mines—a Tourist Attraction: Coal Mining in Industrial South Wales. *Journal of Travel Research*, Vol. 39, 60-69.

TOURISM AS A CATALYST FOR LOCAL ECONOMIC DEVELOPMENT IN THE MUNICIPALITY OF VRNJAČKA BANJA

Marija Lakićević¹; Milica Žarevac Bošković²;

Abstract

In this paper we present local economic development as a process and leader of the overall development of the economy, as a form of directing the local community through cooperation between public, business and civil sector in order to provide economic development for the local community, which means growth of economy and an increase of employment of the local population. This paper also intends to present strengths of tourist municipalities and the role of their natural predispositions for qualitative growth and development by exploitation of natural, cultural and human resources. The results and effects of the study are not related only to theoretical consideration, as we also provide practical recommendations for the local government of Vrnjačka Banja and which can be a useful example for other tourist municipalities.

Key Words: *tourism, Vrnjačka Banja, tourist destination, local economic development, local population*

JEL classification: *F63, Z32*

Introduction

Promotion of tourism has been identified as a key strategy which can lead to economic development, community development, and reduction of poverty in developing countries (Binns & Nell, 2002). Today, tourism has grown from one small activity to an activity that is crucial for the economic growth and development of a country (Lakićević & Durkalić, 2018). Tourism is a specific branch of industry which includes numerous

¹ Marija Lakićević, PhD, Assistant Professor, University of Kragujevac, Faculty of Hotel Management and Tourism in Vrnjacka Banja, Vojvođanska bb, +38162609204, e-mail: marija.lakicevic@kg.ac.rs

² Milica Žarevac Bošković, PhD, Lecturer, Technical College of Applied in Kragujevac, Kosovska 8, phone: +38169636222, e-mail: zarevac.milica@gmail.com

activities from providing various services to production and preparation of food. In the sense of providing services, they are diverse in contemporary tourism, and cater to the tourists needs. Aside from basic services of providing food and accommodation tourists' stay almost cannot be possibly imagined without spa and wellness services, visits to various tourist attractions, seeing cultural and historical places, having lunch in nature and ecological environment, adventure offers, sports and recreational contents, etc. Lately, numerous studies have been working on exploring thematic routes as potential starters of local economic development (Lourens, 2007).

In that sense it is necessary to engage human and natural resources and investment capital. In fact, it is necessary to include the local community, manpower, domestic and foreign investors. The local government creates strategic development documents and manages the destination development, i.e. makes capital investments - builds adequate traffic and communal infrastructure in accordance with its strategic development priorities and investors' needs. The citizens are educated for providing adequate tourist services in accordance with contemporary requests of hoteliers, tourist agencies and tourists themselves. Private investors invest their capital into building hotels, restaurants aqua parks, spa and wellness centers and other objects for tourists from whose business they expect the realization of profits. In this paper, we will focus on the influence and significance of tourism for the development of a local community.

Local economic development

According to the World Bank's definition, local economic development is a group of activities whose goal is to build the capacity of a local community in order for advancing its economic future and the quality of life of its citizens (Swinburn, et.al. 2006). Local economic development is a process in which local economy has a main role in creating values on the level of the local community. The implementation of local economic development is connected to decentralization of the state which gradually transfers its specific inherences to local governments. In that sense, future local governments will develop in accordance with available resources from their own territories, natural and human ones.

Local economic development is a process in which local authorities collaborate with actors from public, private and civil sector. These three sectors, constantly collaborating, keep the dynamic entrepreneur culture

and create new business climate, improving the quality of life of every individual within a community. In other words, the priority is on the local economy to increase competition, to reach sustainable levels of economic growth and to reduce unemployment. From this we can conclude the basic characteristics of local economic growth:

- collaboration between public, private and civil sectors;
- prioritizing local economy and implementing activities to create a suitable business climate, in order to create sustainable economic development within a local community;
- focusing the local economy to increase competition, reaching and increasing the sustainable level of economic growth and reducing unemployment.

The factors of local economic development in tourist municipalities are specific in relation to general factors which determine local economic development. First of all, natural and cultural predisposition are the most important factors for the development of this specific economic activity and they strategically differentiate their local economic development. One of these basic factors which influence the local economic development of tourist municipalities is *the location of the municipality*, based on which the tourist municipality is determined as less or more attractive for tourists' stay and investments of potential investors. Regardless of attractiveness, it is not the same whether the tourist place is located close to large centers, next to the sea, a lake, or whether it is in an inaccessible place in mountains, out of reach of a road network (Vasljević, 2012).

Further relevant factors for local economic growth of tourist places are *natural wealth and cultural heritage*. Namely, waters, lakes, seas, mineral sources, forests, attractive mountain areas, natural parks and other natural riches contribute to a specific tourist location's attractiveness. Almost all tourist places are built especially thanks to these factors, and they still attract new investments. In the area of natural environments, considering the improved awareness for preserving natural resources, on the tourism market the new 'authentic destinations' are starting to dominate, in which the 'green destinations' or completely new attractions called 'Theme parks' can be categorized (Bakić, 2005). However, during decision making, local authorities need to take care of the balance between economic and ecological goals. The specifics of a cultural heritage of each place, its characteristic architecture and cultural monuments are one of the factors which attract numerous tourists and investors. It should be taken into consideration that sustainable development is oriented to

building models which, in a quality way, satisfy social and economic needs and interests of citizens, while at the same time reducing the influences which pose a threat to the environment and natural resources. In other words, sustainable tourism in its purest sense means a branch of economy which has a minimal influence on the environment and local culture, while making a profit and opening new work places (Pavlović, et.al, 2009).

The next factor on which local economic development depends is *infrastructure development*, i.e. the availability of the tourist destination. We are talking about the development of traffic (road network, railroad, sea or river network, airports) and communal infrastructure (water supply, sewer system, heating, public surfaces maintenance, availability and operation of energetic systems, telecommunication network and other infrastructural systems).

The population structure (demographic and educational) is a very important factor for the local economic development of every local community, and especially of a tourist one because it mostly has the service sector. People are the beginning and the end of everything. In tourism, it is especially important for manpower to have, aside from its expertise, good communication skills, relations with guests, to be pleasant, to constantly adapt their behavior to the needs of target groups, to speak foreign languages and possess abundant information. There are two determiners of total satisfaction of employees - their economic status and their non-economic status - both of which can be presented as motivation factors and, implicitly, as factors of manpower productivity (Žarevac Bošković, 2017).

Local management is a factor which creates the general policy and division of budget. The proactive relations and developmental orientation in which the tourist destination is, as well as its openness to attract the private capital largely contribute to realization of economic growth and opening new work places. Basically, the role of a municipality in local economic development is essential it needs business to survive, while on the other hand private business could not function without the public sector. The municipality is simply a wheel which makes private businesses possible. (Buds, 2007).

The inherited state of a local economy (inherited private systems, capital, technology) differs between units of local governments. Regardless of the

facts whether the municipalities have inherited companies - giants with a large 'dead' capital, it is necessary for them to orient in a timely manner towards creating a suitable business infrastructure. With that, they will attract strategic investments, i.e. revitalize and put into function the legacy from the previous period by investing private capital (especially large social hotels which were destroyed during a transition and economic crisis periods). Also, tourist local governments should develop the sector of small and middle companies even more, which would adapt and invest their capital into smaller accommodation capacities, restaurants and additional tourists' contents more easily.

Relations between public and private sectors are also a very important factor in local economic development. A well organized municipality government, which gives fast and quality services to its citizens and investors, may be the most important link for success during the establishment of collaboration between the private and public sectors. The municipality's interest for collaboration with the private sector appears in during the process of planning of development of local government and entrusting public services to private businesses with public-private partnerships. In some tourist municipalities, due to the tourism seasonality, there is a problem of large amounts of garbage during summer seasons. During this period, public communal companies lack the capacity for removal and selection of waste. Local government can entrust a private company which has experience and capacity to manage waste and solve the congestion.

The presence of proactive public sector with an entrepreneur spirit in local government means a local government which participates in creating adequate business conditions by giving a number of incentives and benefits, and forms business incubators, industrial zones, enters into common investments with businessmen with various forms of public-private partnerships and promotes investment potential (Vasiljević, 2012).

Managing a local community is a very complex process. Due to specifics of each local community, there is no universal 'recipe', and each municipality needs to find their own unique way of management. Freedom and independence which a local government has, in the sense of transferred inferences from the national levels of authority (the ability to manage its own public income and expenses, i.e. to independently collect and direct finances), enables each local government to personally makes decisions for realizing its economic development as well. In order to

realize local economic development, the local community first needs to determine its policy of local economic development, to determine its strategic goals, priorities, that is the development directions. This means that local government needs to create a long term strategic plan document - The Strategy of Sustainable Development or The Strategy of Local Economic Development.

Long term strategic planning has a large significance for economic development in municipalities where tourism dominates as a branch of economy. Strategic planning is a process of creating goals and methodologies for management of a local community, organizing, coordinating and directing local activities in order to reach maximum results or effects in the development of the local community. During the planning process, it is very important to include businessmen and citizens along with experts and political representatives. During the Strategy construction in tourist municipalities, it is necessary to actively include into working bodies representatives of the tourist organization, cultural establishments, tourist agencies, and as many businessmen whose business is hotel management, catering, tourism, as well as citizen associations in areas of ecology and culture. During planning, a long term vision, mission and strategic priorities are defined. It is necessary to consider and estimate the potentials, i.e. resources which the tourist location has, and possible changes in the environment, and the nature of the market itself. The potentials which the tourist municipality has, ranging from attractive, communication and receptive factors, are the base for its differential advantage in satisfying the needs of tourists' demands in relation to the competition in general (Swinburn, et.al. 2006). By defining the mission there is a concrete specific orientation of a type of tourism, according to which the local economic development of a tourist location will be focused and directed. That will direct not only which tourist companies will develop, which tourist objects will be built, but also which additional services will develop and be provided and which workforce will be employed. It is necessary to transfer the mission into the criteria of rentability and focus on all areas which enable the increase of profits in order for all subjects related to the product/market search and find the relation which will give the most favorable income from investments (Bakić, 2005).

Today, tourism is one of the most profitable economic activities. During its planning, the key question is to determine development goals. Priority goals of tourism development are, foremost: stimulating local economic

and regional development, increase in employment, increase in foreign currency income, but also the protection of environment, protection of cultural and historical heritage, improvement of the quality of life of populace, incitement of development of underdeveloped areas and creation of a favorable general image of the country.

In this context, a lot of tourist destinations can be mentioned which, thanks to their quality strategic approach, have reached multiple economic growths and populace employment. The new concept of developing spas in Hungary, Bulgaria, Slovenia, Croatia and Turkey, found in their strategies, have defined them as tourist locations which have offers for other target groups aside from the health one. This choice has attracted domestic and foreign investors to build high category hotels with additional contents, SPA and 'wellness', and have contributed to the local economic development of spa tourist locations, employment and increase of general living standard of local populace.

The influence of tourism on the local economic development of Vrnjačka Banja

The concept of local economic development in Serbia started to be implemented in the beginning of XXI century, however, a large number of municipalities, due to the recent centralized implementation of national decisions, were unable to adjust to the new concept.

The municipality of Vrnjačka Banja saw the significance of independent engagement for the advancement of its resources and has started the initiative of local economic development. For that goal, the municipality of Vrnjačka Banja applied to foreign investors to solve local problems in 2004. Also, significant efforts were made to realize the plan development of Vrnjačka Banja municipality for the period of 2005–2015, in which the framework and directions of local economic development were determined. After that, the Strategy of sustainable development of Vrnjačka Banja municipality from 2013-2023 was created, which contains six basic priorities and numerous measures, projects and activities for their realization. The data in Table 1 show that the number of guests in 2018 has increased by 77.9%. Also, the number of overnight stays in 2018 has increased for 59.69% compared to 2012. All of these indicators show that Vrnjačka Banja is on the right track. Being very aware of its comparative advantages in tourism (natural riches and a long tradition of quality spa tourism), its strategic directions are pointed to

health, spa, and wellness tourism, sport and manifestation tourism, with a focus on the protection of environment and spatial expansion of contents to the wider region of mountain Goč and the West Morava river.

Table 1: *Tourist traffic in Vrnjačka Banja for the period between 2012 - 2018*

Year	Number of guests	Chain index %	Number of guests	Chain index %	Average stay of guests in days
2012	139,842		503,134		3,600
2013	158,146	113.1	599,411	119.14	3,790
2014	147,555	93.3	483,104	80.6	3,274
2015	174,053	117.96	567,985	112.89	3,630
2016	206,499	118.64	684,245	120.47	3,314
2017	212,546	102.93	688,442	100.6	3,239
2018	248,786	17.1	803,467	116.71	3,230
2012/18		177.9		159.69	

Source: *Authors, based on official data of Vrnjačka Banja municipality, Economy Department, tourism referent (all data is published every year in January issues of Vrnjačka Banja newspaper)*

The special significance of natural resources and cultural heritage for sustainability of tourism and local economic development

As it is already known, tourism is largely based on natural resources and cultural heritage, as well as preserving, nurturing and improving resources which contributed to its development. That is the basic and continuous starter of local economic growth of a tourist location.

For the presence of green areas which represent one of the basic resources for proclamation and exploitation of this area for a spa health resort, in order to preserve and improve natural conditions of the environment, protection of all elements of natural structures is imposed. That primarily means valorization and selection of individual and group species and their protection, improvement of all green areas in categories and purposes and their regular arrangement and maintenance (Local ecologic action plan of Vrnjačka Banja municipality, 2010).

Aside from the existing infrastructure for the maintenance of green areas (hydrant network), there is a plan to acquire new equipment to constantly

attend to all parts of Central spa park and other public green areas. In order to provide better tourism services which use parks for rest and recreation, there is a plan to additionally arrange parks, i.e. to set up the accompanying equipment (benches, trash cans, swing sets and props for children). Greening and planting flowerbeds in circles which are characteristic for Vrnjačka Banja are mostly done with autochthonous species of plant material. Planned contemporary fountains in the Central park have already been build and they represent a special attraction during evening hours when tourists enjoy and rest while watching their changing colors.

Vrnjačka Banja has six springs of healing mineral waters which are traditionally used for drinking and application of other calming procedures for treating different ailments. They are situated in the central core of the spa park: Snežnik, Slatina, Jezero, Beli izvor and Borjak are cold springs, while Topla voda is a spring of acidic hot water with the temperature of a human body (36,5°C). With its healing properties, it is suitable for treating digestive tract conditions and for physical therapy, and according to stories and findings of old metal coins, this spring was found and used by Ancient Romans. The spa bath, wellness center and the medical block are situated right in the characteristic object located next to the Topla voda spring (Strategy of sustainable development of Vrnjačka Banja municipality, 2013).

All other springs are situated in the attractive objects which are located in pleasant park environment. Tourists can use mineral water here and enjoy the incredible park environment. The municipality has entrusted the responsibility of park and green area maintenance to the Public Company "Borjak", while the usage and maintenance of mineral water springs are the responsibility of the Special hospital "Merkur". Cultural inheritance also has a special meaning for the sustainability of tourism, and for the local economic development of the touristic municipalities. Cultural inheritance, both material and immaterial, presents a resource which is safeguarded and maintained in Vrnjačka Banja for fifteen decades.

The cultural and entertainment program in Vrnjačka Banja started to develop at the end of the fifties. However, the real boom occurred in the last thirty years of the past century, starting with the establishment of a complex cultural event, Vrnjci Cultural Ceremonies (Žarevac et al., 2013a). Cultural, material inheritance consists of monuments of culture, construction site of castles, monasteries, churches, their iconography and

carpentry, excavations of various figures, weapons and tools from the more recent or from times long gone, which are exposed in museums as well as remnants of entire cities, viaducts, aqueducts, etc. Cultural inheritance is registered in the state's office for protection of cultural monuments, and they are under the protection of the state. This protection includes the proper care for this inheritance, dedication of funds for their restoration and conservation, etc. Apart from the state, local community, particularly the touristic one, must invest means and efforts to preserve their cultural inheritance, that is, to safeguard it from deterioration.

Local tourist municipality devotes, for these purposes, planned funds for the protection of the cultural inheritance. According to the data provided by the office for the protection of the cultural monuments of Kraljevo, following objects are placed under the protection: (Office for the protection of the monuments of culture, 2015): Castle Belimarković Vrnjačka Banja – a cultural good of high significance (I/91, 72/70, 28/83); Lađariste, Neolithic settlement III/29, 633-2231/97-030; Čajkino brdo, Vrnjačka Banja, cultural good– spatial cultural entity of high significance II/5, 350-317/85-01; Church of St. Sava, Gračac, I/233, a monument of culture 633-4703/99; Belimarković Chapel, Vrnjačka Banja, a monument of culture, I/248, 4/2009; Villa Avala, Vrnjačka Banja, a monument of culture, I/258, 84/2014; Villa Mi La, Vrnjačka Banja, a monument of culture, I/259, 84/2014; Villa Palas, Vrnjačka Banja, a monument of culture, I/260, 05 no. 633-13804/2014, 122/2014; Urban center of Vrnjačka Banja with a park as a protected environment.

Immaterial cultural inheritance can, in a great measure, contribute to the development of the local community. Certain traditional cultural manifestations can sometimes be valuable touristic destinations - Traditional manner of singing, "kolo" dancing, custom-themed wedding ceremonies, marking and celebration of the religious holidays, etc. Events can be an important tool in creating a positive image of a tourist destination (Panfiluk, 2015). Attention should be paid on individual studies as they indicate that these manifestations have high potential and that they can contribute to the local economic development, but that such opportunities remain unused, quite often. (O'Sullivan & Jackson, 2010).

Vrnjačka Banja has implemented several manifestations into its immaterial cultural inheritance, that is, into its touristic offer: "*International carnival of Vrnjačka Banja*" which is held every year in the second week of the month of July and lasts for eight days; a youth

festival of electronic music known as "The Love Fest", which is held every year in the first week of August and lasts for four days, and "The International Festival of Classic Music" which is held every year in the last quarter of July and lasts for ten days.

Apart from these three great manifestations in Vrnjačka Banja, concerts of folk and popular music are also held, as well as the performances of folk ensembles, both local and from the other parts of the country. Of folk manifestations, a very good organized and well visited one is the manifestation of folk games, songs and oration "The Golden Threads" which is held every year by the end of the March and lasts for three days. During the course of all manifestations, Vrnjačka Banja makes significant income, a number of commercial sectors are hired, restaurants fare better, sales of souvenirs and gifts increase, market and shops achieve several times higher revenue, and when they are leaving, tourists often shop for authentic domestic products (juices, cheese, kajmak, jams, brandy, etc.), in order to prolong their "experience" upon their return home.

Table 2: *Analysis of the local incomes of the Vrnjačka Banja municipality from the property and income taxes*

Year	Property tax	Chain index %	Tax on capital transactions (transfer of absolute rights tax)	Chain index %	Income tax	Chain index %
2013	89,440,000	100	35,000,000	100	191,500,000	100
2014	86,970,786	97.18	32,950,280	94.14	184,427,125	96.31
2015	119,067,635	136.91	32,197,343	97.71	193,093,513	104.70
2016	120,891,785	101.53	38,425,382	119.34	193,022,974	99.96
2017	132,036,721	109.22	49,328,401	128.37	220,720,703	114.35

Source: Authors, based on the data from the department of finances and budget of the Vrnjačka Banja municipality <http://vrnjackabanja.gov.rs/dokumenta/sluzbeni-listovi>

Vrnjačka Banja is located at the very top of the Serbian tourism. With a long-standing tradition as a healing center, with top-of-the line medical institutions and cadres and modern accommodation capacities, it represents a leading center of spa, climate and welfare tourism in Serbia (Pavlović, et.al., 2008). According to the data from the Republican statistics office (Statistical Yearbook of the Republic of Serbia, 2018) the

leading tourist destinations by the income achieved are Belgrade, Novi Sad, Vrnjačka Banja, Zlatibor and Kopaonik. These destinations have recognized the important components for their development as a touristic destination in the past years and constantly improve them – they care about the needs of tourists and attract investments.

Based on the data gained from the Department of finances and budget of the municipality of Vrnjačka Banja, we have conducted an analysis of municipal incomes from the taxes on property, transfer of the absolute rights and from income tax. Analysis has been conducted for the period of five years (2013-2017) while data was not available for the year 2018 as the decision on the balance execution was still in preparation. By observing the property tax as an indicator of the growth of commerce, we can conclude, from the chain index, that there was a trend of growth from year to year, apart from the year 2014 marking an insignificant fall of 2.82%. By observing the year 2017 in comparison to year 2013 used as the initial year, we can observe a growth of 47.63%.

The tax on capital transactions (on the transfer of the absolute rights) is also an indicator of the commercial growth as it can be determined through the transactions of the immobile property which occurs in Vrnjačka Banja. The attractiveness of the tourist destinations and the will to own an object or land is one of the reasons for this tax income increase. The small reduction in the tax based income in 2014 and 2015 in comparison to 2013 is almost ignorable, when we take into the account the fact that in these years, tax constituted of almost one third of the property tax. Then, a significant increase came, in 2016, for 19.34%, followed by 28.37% in 2017. In comparison to the base of year 2013, it shows an increase of 40.94%. From a nominal view, it can be concluded that Vrnjačka Banja has significant revenue from the property and capital transaction taxes which indicated the growth of commerce in this period.

Regarding the evaluation of other factors of the economical development, that is, its effect on the reduction of unemployment, we can make conclusions based on the income tax. There are no large oscillations of income in comparison to 2013. The growth of employment is registered only in 2017, which can be linked to the large investments which started at that time. Observing 2017 in comparison to the year 2013 used as a base, income tax increased by 15.26%. It is expected that in 2018, the income tax will be significantly higher.

Vrnjačka Banja has, as a touristic location, devoted itself for the development of tourism, but while still encouraging the development of all other branches of commerce which are complimentary to the tourism. In all its decisions and plans it has determined a path of development of the welfare tourism as its primary branch and development of other forms of tourism like sport, recreation, congress, manifestational, cultural, student, youth and eco tourism. More and more possibilities open up for specific target groups (extreme sports, hunting, fishing, etc). However, only with an integrated approach and with an integrated offer of quality accommodation, authentic food and touristic tours can higher incomes be achieved, both from tourism and from the economic development of the local community. An integrated offer would provide for a continuity of the economic development by achieving additional values – a tendency for the satisfied tourists to come back, ones who decided to spend a holiday in Vrnjačka Banja – again.

It should also be highlighted that the villages of Vrnjačka Banja, Trstenik and Kraljevo municipalities produce healthy agricultural goods and sufficient amounts for the hotels and accommodation objects which operate in Vrnjačka Banja.³ It is necessary to set up a market for the agricultural products, in order to allow the tourist demand of Vrnjačka Banja to absorb the entire variety of agricultural products from the village production and from other capacities, that is, from the entrepreneurs who produce food and beverages on this territory. That would not only reduce the transportation costs, but it would allow for the hotel and restaurant owners to use the products from this area of standard quality which would achieve the realization of the work costs. Vrnjačka Banja would, apart from other advantages, highlight its new brand image "A spa with eco food". In truth, rural tourism does include a variety of activities, services and additional contents which are organized by rural community in order to attract tourists and to achieve additional income (Žarevac & Lakićević, 2013b).

A period of transition has devalued the touristic offer of Vrnjačka Banja. Best Hotels and touristic agencies (HTC "Fontana") has exploited its resources without the opportunity to invest into objects, equipment and

³ A research done by the Faculty for hotels and tourism in Vrnjačka Banja, in the scope of the project "Empowering the entrepreneurs in agriculture and tourism through the analysis of the agricultural goods consumer habits and the needs of the touristic market on the territory of Kraljevo, Vrnjačka Banja and Trstenik, with recommendations."

human resources. Service level has fallen below any touristic criteria, thus reducing the income from tourism to a minimum. The only thing which kept tourism alive in that period were the private apartment renters which tried to adapt their accommodation capacities to the demands of the tourists. Then, a gradual construction of new apartments and hotels of smaller scope started. In the period from 2005 to 2014, the specialized hospital "Merkur" improved its offer and adapted to the demands not only to its target group of patients, but to the tourists as well, who come for vacations and relaxation. Thus, in 2006, a Wellness center "Fons Romanus", has been opened and a pool has been reconstructed and expanded with SPA contents.

A new apartment complex "Solaris Resort" with various contents (Wellness, SPA, closed pools, conference and meeting halls) has been built, which constantly updates its offer in response to the tourist demands. Also, private entrepreneurs invest in the apartment forms of hotels. New hotels are being built and old hotels reconstructed (hotel and aqua center on the "Beli izvor" location and exclusive hotel "Tonanti" and "Merkur Palace") in Vrnjačka Banja. All the hotels are of a high category which means that the target tourist group will be "big-spender" guests. With this, new work places will be opened, such as: hotel and restaurant managers, receptionists, tourismologists, economists and lawyers to work in marketing and the financial sector, cooks, waiters, maids, technical staff, guards and others. During the investment phase of the object construction, an inflow of investment capital in the local community shall occur, as well as the inflow of means allowing for construction permits, as well as income coming from the employment income tax. The municipality shall have a constant inflow of funds from the investors, as well as from the property and income tax from all employed.

In order to respond to the growing requests of modern tourists, the local government of Vrnjačka Banja initiated numerous projects for improving the touristic offer. With financial help from the country part of the central park of the spa has been landscaped as well as the promenades, fountains were built, the culture Square in which many musical manifestations are held was reconstructed, the Summer stage in which, traditionally, the cultural manifestations "The Days of Danilo Bata Stojković" and the Festival of movie scenarios are held annually. Also, within the sports complex "Vlade Divac" the construction of a large indoor pool is planned - a Water Polo center in which national and international tournaments and preparations will be held.

The local management is quite aware of the fact that it is necessary to follow the needs of investors so that they would, apart from economic interest and profit, find support and acceptance from the residents. With that goal in mind, the management designated locations, that is the land in public ownership which it offers to private investors in order for them to build tourist capacities. The municipality also plans incentives aimed at the private sector for building foot-paths and bicycle tracks, carting tracks, horse-racing tracks, sports fields and other content.

Conclusion

Based on a detailed analysis of the Vrnjačka Banja municipality, we can conclude that the local economic development started late and that it unfolded as a relatively slow process. The situation has been different for the last few years, that is to say, the economic development intensified thanks to the authority that the local government receives from the state, i.e. central government. In that sense, political structures realize in which direction they should work and cooperate with the entrepreneurs.

The strategic direction of development of Vrnjačka Banja is clear and leads to the improvement of the development of tourism which will contribute to the development of other commercial (trade, agriculture, food and other industries) and non-commercial branches (culture, sports, entertainment) while opening up new work places and lowering the unemployment rate. The obligation to develop sustainable tourism, that is that the natural and cultural resources be used rationally, that they be protected and preserved for future generations that will base their economic development on tourism as well. It is worth taking care and further improving the tourist offer, as well as the constant education of those employed in tourism with the inclusion of professional institutions.

References

1. Bakić, O. (2005). Marketing management of the touristic destinations, Čigoja, Beograd.
2. Binns, T., Nell, E. (2002). Tourism as a local development strategy in South Africa, *Geographical Journal*, Vol.168, No.3, pp.235-247.
3. Buds, J. (2007). The role of local government in Local economic development, VNG International, page 11. Retrieved from www.vng-

international.nl/wpcontent/uploads/2015/06/The_role_of_local_government_in_local_economic_development.pdf (15 February 2019)

4. Lakićević, M., & Žarevac Bošković, M. (2016). The role of modern event – based tourism industry in the tourism development in the Republic of Serbia, I International Scientific Conference "Tourism in Function of Development of The Republic of Serbia – Spa Tourism in Serbia and Experiences of Other Countries", Vrnjačka Banja, pp.434-451.
5. Lakićević, M., & Durkalić, D. (2018). Measurement of tourism market performance in EU countries: results of PROMETHEE - GAIA approach, III International Scientific Conference "Tourism in function of development of Republic of Serbia - Tourism in the Era of Digital Transformation", Vrnjačka Banja, pp. 99-116.
6. Local ecological action plan of the Vrnjačka Banja municipality (2009). Municipality of Vrnjačka Banja and Regional center for environment for the Central and Eastern Europe Retrieved from <http://vrnjackabanja.gov.rs/dokumenta/strateska-dokumenta/lokalni-ekoloski-akcioni-plan-opstine-vrnjacka-banja> (15 February 2019).
7. Lourens, M. (2007). Route tourism: a roadmap for successful destinations and local economic development, Development Southern Africa, Vol.24, No.3, pp. 475-490.
8. Office for the protection of the monuments of culture. (2015). Kraljevo, Retrieved from <http://zzskv.rs/6-vrnjacka-banja/> (February 20th 2019)
9. O'Sullivan, D., & Jackson, M. (2002). Festival Tourism: A Contributor to Sustainable Local Economic Development?, Journal of Sustainable Tourism, Vol.10, No.4, pp.325-342.
10. Pavlović, M., Radivojević, N., & Lazić, J. (2009). Sustainable development of the Spa tourism in Serbia, Industrija, Vol.37, No.2, pp.37-57.
11. Pavlović, M., Radivojević, N., & Lazić, J. (2008). Analysis of the structure and scope of Vrnjačka Banja population, Industrija, Vol.36 No.1, pp. 97-121.

12. Panfiluk, E. (2015). Impact of a Tourist Event of a Regional Range on the Development of Tourism, *Procedia - Social and Behavioral Sciences* Vol.213, pp.1020-1027.
13. Strategy of sustained development of Vrnjačka Banja 2013.– 2023. Retrieved from <http://vrnjackabanja.gov.rs/images/clanak/635/dokumenta/preuzmite-dokument-strategija-odrzivog-razvoja-opstine-vrnjacka-banja-2013-2023.pdf>
14. Statistical Office of the Republic of Serbia. (2018). Statistical Yearbook of the Republic of Serbia Retrieved from <http://publikacije.stat.gov.rs/G2018/Pdf/G20182051.pdf> (20 February 2019)
15. Swinburn G., Goga S., & Murphy F. (2006). Local economic development: A Primer - Developing and implementing Local Economic Development Strategies and Action plans, World Bank Washington DC, Retrieved from <http://www.worldbank.org> (29 februar 2019)
16. *Vasiljević, D.* (2012). Local economic development – Why are certain municipalities Winners and certain ones Losers of the transition. Beograd: PALGO Centar.
17. Žarevac Bošković, M. (2017). Workforce motivation as a factor of productivity, *Teme*, Vol. XLI, No.2, pp.503-516.
18. Žarevac, M., Kostić, M. & Lakićević, M. (2013a): A New Concept for Promotion of Vrnjci Spa – Tourism for Young People, *Metalurgia International*, Vol.18, No.9, pp.151-155.
19. Žarevac, M., & Lakićević, M. (2013b): Current Issues in Development and Improvement of Rural Tourism in Knjic Municipality, *Actual Problems of Economics*, Vol.139, No.1, pp.274-280.

THE IMPACT OF TOURISM ON ECONOMIC GROWTH AND DEVELOPMENT: THE CASE OF THE CITY OF VALJEVO

Vladimir Malinić¹;

Abstract

Tourism development is considered to be the productivity factor of the economy of a city, region or a state, and the effects of tourism on economic development and social life are numerous and powerful. Since the City of Valjevo has appropriate tourism resources and is one of the regional centers in the network of municipalities and cities of the Republic of Serbia, it recognizes tourism as a possible solution for optimal, long-term development. Therefore, the subject of this research relates to the assessment of the significance of tourism industry for the overall development of the City of Valjevo, as well as the perception of basic parameters of this activity by using the Defert-Barretje index. The aim of the research is to analyze direct and indirect effects of tourism on the economy of the City of Valjevo, pointing out the particularities of this branch of economy and determining the direction of the development of the City of Valjevo regarding the role of tourism.

Key Words: *City of Valjevo, tourism, economic development, direct effects, indirect effects, Defert-Barretje index*

JEL classification: Z320

Introduction

Valjevo is one of the regional centres in the network of local governments of Serbia. Its gravitational and integrative role in the Western Serbia area is evident, and the City of Valjevo, with its natural and social features stands out from the surrounding area. For that reason, Republic Agency for Spatial Planning (2010) predicted that the City of Valjevo would become the framework for the development of this part of our country. For the set planned goal to be obtained, the analysis of all relevant factors

¹ Vladimir Malinić, MSc, PhD student, University of Belgrade – Faculty of Geography, Studentski trg 3/III, Belgrade, +381640685360, vmalinic92@gmail.com

that influence a balanced regional development, the use of potentials and the connection of urban and rural areas is important.

The growing number of countries and places across the planet perceives tourism as a solution to their long term and optimal development, having in mind numerous forecasts on the growth in the number of tourists and the previous incomes realised on the ground of tourism (Cvetkovski et al., 2014). Tourism development is considered to be the factor of economic productivity of a place or a destination, and it is obtained with by the rational use of the resources which are important for the tourism economy (Dimitrovski & Milutinović, 2014). The importance of tourism for developing economy and accelerating the whole line of complementary activities is recognised in the Tourism Development Strategy of the Republic of Serbia (2016-2025), the most important plan document in the field of tourism. The share of tourism in the GDP of Serbia in 2015 was 5.4% (indirectly) and 2.7% (directly) respectively. Of all the investments realised in Serbia, 12.1% was directed to the tourism economy. In the period between 2007 and 2015 the growth of 36% of foreign currency income of tourism was documented (Ministry of Trade, Tourism and Telecommunications, 2015). For that reason, tourism was presented as one of the Serbian development driving forces in the future (Stevanović & Malinić, 2016). That development will be based, first of all, on the increase in the number of foreigners and the adequate economic effects that result from it. For that reason, numerous regions and local government units in Serbia, Valjevo being one of them, tend to embrace as much of that tourist cake, and stimulate the development of its own economy.

The research goal pertains to the analysis of direct and indirect impacts of tourism on the economy of the City of Valjevo, pointing to the specifics of this economy branch and establishing the direction of the City of Valjevo's development from the aspect of tourism. The research tasks pertain to analysis and assessment of the spatial opportunities and the total potential for tourism development in Valjevo, defining a clear vision of that development, pointing to the specific natural and social features of this area, and also to the possibility of a better positioning on the tourist market by applying adequate measures that would create the whole chain of positive economic and noneconomic effects.

Tourist turnover and material base for the development of tourism in the City of Valjevo; Defert-Baretje index

The City of Valjevo has attractive contents for both local and foreign tourists. Numerous culture-historical monuments, exceptional attractiveness of the natural localities, and events represent the framework for tourist movements throughout the year. The types of tourism activity are:

- City tourism of Valjevo with its immediate surroundings;
- Mountain tourism and recreation in the mountains of Valjevo;
- Rural tourism;
- Touring and transit tourism;
- Hunting tourism;
- Special interests tourism;
- Religious tourism.

Apart from the fact that the main decision is to develop whole-year tourism in Valjevo, there, as in the most of our tourist centres and regions, significant monthly tourist turnover oscillations and overnight stays are noticed. The most intense tourist movements are in summer, whereas in winter, especially in February and December, tourist turnover stagnates. In addition to all that, local tourists are predominant compared to the foreign ones.

It can be seen that in the tourist turnover in the City of Valjevo from 2006 to 2015, domestic tourists are dominant ones. There were 30,696 registered tourists in Valjevo, who had 159,251 overnight stays. In 2015, the number of tourists was 35,818 and the number of overnight stays was 119,427. It is noted that the tourist turnover has been fluctuating in the last 10 years. The increase in the number of tourists is relatively humble (16%), whereas a decrease of 25% was noted in the overnight stays. The record number of visitors was set in 2008 (42,527), and the minimal in 2014, which can be explained by the catastrophic floods that affected the whole Kolubara County that year. The number of foreign tourists increased by over 30%, but one should bear in mind that their base is still small. The share of the number of tourists in Valjevo in the total number of tourists in Serbia is just 1.6%. The total number of overnight stays of local and foreign tourists in 2015 had a share of 1.8% in the total number of realised overnight stays in Serbia. Observed at the level of Kolubara

County, Valjevo is also dominant in the number of visitors (69% of all tourists), and in the number of overnight stays (68%).

Table 1: *The number of tourists and overnight stays in the City of Valjevo (2006-2015)*

Year	Tourists			Overnight stays			Avg. number of overnight stays	
	Total	Local	Foreign	Total	Local	Foreign	Local	Foreign
2006	30,696	27,704	2,992	159,251	148,966	10,285	5.4	3.4
2007	34,148	31,171	2,977	159,374	153,169	6,205	4.9	2.1
2008	42,527	39,670	2,857	180,168	174,800	5,368	4.4	1.8
2009	36,506	33,367	3,139	155,496	149,282	6,214	4.4	1.9
2010	38,708	34,212	4,496	139,569	130,028	9,541	3.8	2.1
2011	39,849	35,500	4,349	149,390	138,941	10,449	3.9	2.4
2012	40,318	35,957	4,361	141,038	131,005	10,033	3.6	2.3
2013	36,594	30,835	5,759	130,748	113,383	17,365	3.6	3.0
2014	27,198	21,654	5,544	90,054	80,132	9,922	3.7	1.8
2015	35,881	31,615	4,266	119,427	110,915	8,512	3.5	2.0

Source: *The Statistical Office of the Republic of Serbia*

The length of stay in the observed period of time is constantly decreasing, which is in accordance with the global trends in tourism. Tourists realise more short travels in the year, with the goal to visit as many destinations as possible. Valjevo is becoming a transit tourist place, and the average number of realised overnight stays matches the average at the republic level. Divčibare, as a mountain tourist centre, where stationary type of stay is present during the season, has a large impact on the average number of overnight stays in the City of Valjevo. However, it should be pointed out that the average number of tourist overnight stays is calculated by dividing the number of overnight stays by the number of tourists. As tourists are registered in each of the places they stay in, in the case of a location change, the numbers are shown again, i.e., they are doubled. Thus, probably, the number of overnight stays calculated in this way is smaller than the real one, but that is the problem in the whole Serbia, not only in Valjevo.

When talking about the accommodation capacities, the City of Valjevo had 1,704 beds (Table 2) in 2015. Out of that number, 75% was located in Divčibare, the most significant tourist centre of the City. The rest was in the City of Valjevo, while 78 beds, according to the data of Tourist organisation of Valjevo, were in the village touristic households, mostly in Petnica (33), and the rest in Beljici, Donji Taor and Podbukovina. It is interesting that in Brankovina, the hometown of Desanka Maksimović

and the Nenadović family, there is not a single hospitality unit for providing accommodation and catering services.

Table 2: *The number of beds on the territory of the City of Valjevo*

	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015
Valjevo	470	481	446	446	416
Divčibare	2,139	2,160	1,620	1,434	1,255
Other places	62	65	72	78	78
Total	2,671	2,706	2,138	1,958	1,704

Source: *The Statistical Office of the Republic of Serbia*

The available accommodation capacities meet the tourist demand. However, the use of the capacities is larger in Valjevo, than in Divčibare, because seasonal tourist turnover is present in Divčibare. In the following period the increase in the degree of the existing number of beds and the construction of new accommodation facilities will be of equal importance. The situation is similar when it comes to hospitality offer; in recent years, a rising number of small private facilities has especially marked the hospitality industry.

In the period after the World War II, tourism was developing in a manner that economic indicators such as profit, employment, share in GDP, and the tourist happiness were marked as the basic indicators of the tourist development success (Malinić, 2016). However, in time, a methodology was developed, which stressed the relation between the accommodation capacities and local population, but it also stressed the redistribution of accommodation capacities. The goal of this type of research was to establish the impact of tourism on the local economy (Marković et al., 2017). The first person to apply this type of research was the French geographer Pierre Defert, who created the tourist function index in 1967 (Potts & Uysal, 1992). In literature, this index is called Defert index. The French researcher Rene Baretje improved the Defert index in 1978 and connected it with the researched space. That is how the Defert-Baretje index was created and it is calculated as it follows:

$$DTFI = T(f) = \frac{N \cdot 100}{P} \cdot \frac{1}{S} \quad (1).$$

$DTFI=T(f)$ – Defert-Baretje index

N – the number of beds in an area

P – the number of residents in an area

S – the surface of an area, represented in km^2

Defert-Baretje index points to the tourism impact on the sustainability of a local community cultural identity, i.e., if the tourism development stimulates the intense construction of accommodation capacities (Markovic et al., 2017). In the observed period of research (2011-2015), Defert-Baretje index is constant and its value is never above 4, which means that it is a destination with a moderate tourist activity.

Graph 1: *Movement of Defert-Baretje index (2011-2015)*



Source: *Author's own calculation*

The effects of tourism development on the territory of the City of Valjevo

Contemporary tourism has many functions that are significantly connected. Tourism is characterised by semi-functionality, as well as inter-functional connection, which means that the impacts of tourism on the economy development and social life are numerous and strong. Tourist function types divided into two groups that are most commonly found in literature (Jovičić, 2010) are:

- Economic functions of tourism;
- Non-economic functions of tourism (e.g. health, political, social, cultural-recreational, etc.).

Tourist expenditure, i.e., the spending of tourists in the places they visit, represents the basis for understanding economic impacts of tourism. Although certain economic effects can be noticed in the economy of a country and area that tourists come from, the effects of tourist expenditure on the economy of the country or the area they are visiting are still analysed during the analysis of economic impacts of tourism (Bošković, 2009). Different classifications for observing economic effects of tourism on economy can be found in both local and foreign literature. One of the most used classifications of economic effects of tourism on economy in local literature is the classification into direct and indirect effects on the economy (Unković & Zečević, 2006). Among the direct effects, the most important ones are the following:

- The impact of tourism on gross domestic product and national income;
- The impact of tourism on balance of payments;
- The impact of tourism on employment;
- The impact on the activities of tourist economy.

Indirect effects refer to the stimulation of the development of activities such as agriculture, industry, civil engineering, etc.

The impact of tourism on GDP of the City of Valjevo

Tourism cannot be perceived as the creator of domestic product and national income; however, it can be said with certainty that tourist expenditure has both direct and indirect impacts on domestic product and national income (Bošković, 2009). Indirectly, tourist expenditure has an impact in a way that it stimulates the development of those activities that have the role of obtaining the tourist economy, whereas the direct impact is on the ground of externalising domestic product from other countries. That way, foreign income externalises in the economy of the visited country, which can contribute to a more balanced economic development on the global level (externalisation of domestic product from rich to poor countries).

Contrary to the foreign tourism, the local tourism represents redistribution of funds within the borders of a country. For that reason, the development of local tourism can contribute to a more balanced development of all regions of a country by enabling externalisation of domestic product from economically developed to economically insufficiently developed regions (but with developed tourism) through tourist expenditure.

Precise statistic data on the impact of tourism on GDP of the City of Valjevo do not exist. Namely, tourism is not treated as an independent economy branch, but rather as an inter-branches economy sector supporting transport and hospitality industry, which is why it is not shown individually in the structure of GDP. It practically disables the precise establishment of its share in GDP. Simple addition of shares of the individual components that tourism consists of would not provide the wanted result, because the components exist and meet other needs of people regardless of touristic needs. What can be said with certainty is that the region of Šumadija and the Western Serbia had a share of 26.2% in GDP of Serbia, while the share of Kolubara County in the Republic GDP was 1.9 %² in 2016. The services of accommodation and catering, wholesale and retail, transport and storing are represented together in the publication of the Statistical Office of the Republic of Serbia (2018) and they make 15.69% of GDP of Kolubara County. Agriculture, forestry and the fishing industry (together as one segment), mining and industry (together as another segment) and public administration and social welfare (together as yet another segment) have a bigger share in GDP of the Kolubara County.

This situation can be explained by a small number of local and foreign tourists that visit Valjevo and stay there for a short period of time and do not spend a lot. This is a consequence of the low spending power of local tourists and the unfavourable structure of foreign guests, because the majority is from the ex-Yugoslavian republics. There are not many foreign tourists with higher spending power, just like those who stay longer in Valjevo and spend more on pension and non-pension services. In addition to it, as a result of unconnected tourist offer, it is estimated that tourists spend most on accommodation and food, but significantly less on other products and services.

The impact of tourism on the balance of payments of the City of Valjevo

Balance of payments is a systematic record of all economic transactions between the residents of a country and other countries in a period of time in unique currency. The residents are both natural persons and legal persons that perform an activity in a country of permanent stay and work

² The difference between GVA and GDP is in net product taxes. In accordance with the Eurostat regulations, the level of the district is expressed by the GVA.

in accordance with the legal regulations of the country in question. Balance of payments can be positive (when the export is larger than import), and negative (when the export is smaller than the import) or balanced (when import and export are equal) (Mankiw, 2004).

Tourism represents a very significant source of foreign currency funds, which is why it is classified as a favoured export branch. For the countries that have, first of all, stood out as significant receptive touristic countries on the international touristic market, foreign currency income from tourism represents the most important item of income in the payment balance and a very strong factor of economy development in total (Jovičić, 2016). Furthermore, an important fact is that this foreign currency income is not followed by the export of goods only across the borders of the country, so this type of export is called 'invisible export', because instead of exporting goods, tourists who spend their foreign currency are 'imported' (Bošković, 2009).

Tourism multiply helps to create positive payment balance (Unković & Zečević, 2006). Firstly, tourism enables placement and sale of goods and services that are not of importance for the whole series of other activities. For example, it is only through tourism that caves, sunsets, cliffs, and sand beaches can be valorised (Stanković, 2008). Secondly, export through sales to foreign tourists results in high profit, not only because of the higher prices for tourists, but also because of the fact that in this case expenses are lower (e.g. no transport expenses). Thirdly, some products are simply not suitable for export, because of insufficiently developed infrastructure, the nature of the product itself (e.g. perishable products), or customs difficulties. Thus, tourism is seen as relatively cheap and easy way of earning foreign currency which is necessary for investment in development, and for decreasing payment deficit. It is a fact that for many countries, especially those with limited industrial sector, or with only a couple of possibilities for alternative export sector development, tourism represents the primary source of foreign currency incomes.

It is often not seen that tourism influences the creation of negative payment balance through expenses of the population for travelling abroad. In this case, tourism is 'invisible import', because instead of importing goods, residents of a region or country who spend the income earned in the country of origin are 'exported'.

The world council for travelling and tourism has, for the purpose of observing the total contribution of tourism to the payment balance and the economy of a country or an area, created the so called satellite calculation (Jovičić, 2016). However, the City of Valjevo and the Tourist organisation of Valjevo have not applied this methodology so far, i.e. it has not been established to what extent tourist economy contributes to the surplus/deficit of the payment balance of the City. According to the preliminary data of the National bank of Serbia for year 2017, Serbia notes deficit in the payment balance in the tourist segment.³ Namely, the incomes realised on the grounds of tourism are 1.18 billion euros, whereas expenditure is 1.215 billion euros. Having in mind that in Valjevo in 2015 there were 4.266 foreign registered tourists, which is a total of 0.37% of all the foreigners during that year in Serbia, and that about 10 mostly outbound travel agencies work in the city of Valjevo, it can be concluded that the payment balance of the city of Valjevo is in deficit, at least when it comes to tourism. The structure of foreign visitors confirms this fact, as the majority of them is from ex-Yugoslavia, which means that they come from areas with weaker spending power. The average stay of foreigners is short, and the offer is unconnected, which disables the growth of their tourist expenditure. On the other hand, outbound agencies in Valjevo mostly offer packages for the stationary summer and winter stay abroad, which is why it can be easily supposed that tourists from Valjevo spend more money on pension and non-pension services when abroad, then they do when in Valjevo.

The impact of tourism on employment in the City of Valjevo

Of all economic effects that tourism has on economy, it is most frequently pointed out in the foreground that tourism contributes to the increase in employment rate. Contrary to industrial cities where increase in production, or introduction of new technologies leads to relative or absolute decrease in the number of the employed, every increase of tourist capacities and turnover follows an adequate increase in the number of the employed. It is caused by service character of tourism and limited possibilities of applying the technical progress in this activity.

There are two types of employment when it comes to tourism: direct and indirect. The direct refers to the employment in the activities that are directly connected to and depend on tourism (e.g. the employment in

³ http://www.nbs.rs/internet/cirilica/80/platni_bilans.html

hotels, restaurants, travel agencies). The indirect employment refers to the employment in the activities that are indirectly connected to tourism and realise significant benefits from tourism (e.g. civil engineering, commerce, agriculture).

The importance of tourism for employment is best represented by the following advantages:

- People with different levels of qualification can be employed;
- The employment of the young, who are in the labour market for the first time;
- Equal opportunities for men and women;
- The employment of people who cannot flexible working hours;
- The employment in undeveloped areas.

However, even apart from the data that confirms that tourism can ever so contribute to the increase in employment, the influence of tourism on employment is often the subject of critics. Namely, it happens in practice that those positive effects of tourism in a sense of creating high quality permanent employment, and decreasing the total unemployment rate in the country fail to appear. The fact that is most frequently criticised is that the majority of jobs in tourism are of seasonal character (that its duration is connected to the touristic season), and that therefore the jobs are mostly attractive to students or retired people.

Table 3: *The structure of the employed in the activity sectors in the City of Valjevo, 2011*

	Primary	Secondary	Tertiary	Total
Serbia	4.1%	31.2%	64.7%	100%
Kolubara County	8.5%	43.6%	47.9%	100%
The City of Valjevo	1.5%	49.4%	49.1%	100%

Source: *The Statistical Office of the Republic of Serbia*

As it can be seen in Table 3, secondary and tertiary sectors absorb an almost equal number of the employed in the City of Valjevo (49.4% and 49.1%). These percentages deviate from the average at the level of the Republic of Serbia, where over 60% of the population is employed in the tertiary sector. This situation is explained by the activity of the large industrially oriented companies such as HK 'Krušik', 'Gorenje', 'Austrotherm', etc.

Accessing the structure of the employed in the activities, it is noted that only 0.5% of the people from Valjevo are employed in the sector of providing services of accommodation and food. If we were to add the employed in art, entertainment and recreation (0.5%), other service activities (0.5%), and even the sector of transport and storing (2.6%), the total number of the employed in tourism would be just over 4%. This situation is easily explained – tourism is a working-intense activity, and the number of the employed in it directly depends on the tourist capacities that are at disposal and the number of tourists at a destination. Given the fact that tourist turnover in the City of Valjevo is humble, i.e. its share in the total tourist turnover in Serbia is 1.4%, i.e. 2.67% of realised overnight stays, consequentially there is a small number of the employed in tourism. With respect to the indirect employment, the situation is not better either – a small number of tourists drags a small expenditure on non-pension services and products.

The influence of tourism on activities of tourist economy

Tourism represents the economy sector that includes series of economic and noneconomic activities. In order to successfully realize economic and developmental functions of tourism, it is necessary that a receptive country possesses solidly developed activities such as hospitality industry, traffic, indirect activity (travel agencies) and commerce. It is also necessary to have other activities developed, which indirectly meet the tourist needs (agriculture, civil engineering, etc.).

By using some tourist-hospitality services, a tourist spends its own income for meeting their own tourist needs, influencing the development of activities that provide those services. That is why it is important that the services that are provided to the tourists are adapted to their demands with respect to quality, size, price, etc. A large number of touristic destinations tends to develop other, or additional touristic services (in the field of entertainment, amusement, sport, recreation, studying, education, adventure) apart from the basic ones (accommodation, food, transport). That way the total tourist expenditure grows, its structure changes, and it stimulates the development of many activities. Jovičić (2016) points out that about 90% of the total realised tourism incomes is related to the incomes of the industry of hospitality, traffic and the agency business. That share is even bigger when it comes to stationary tourism, which includes longer stays, large expenditure both for accommodation-

hospitality capacities and for travels through tour operators and travel agencies.

The humble tourist turnover and unconnected tourist offer of the Valjevo region were mentioned on several occasions. It negatively reflects other activities with which tourism coordinates, thus the tourist economy impacts on their growth are low.

Indirect economic effects of tourism development in the City of Valjevo

The tourism development effects reflect the development of civil engineering, industry and agriculture.

Tourism multiply stimulates *civil engineering activity*. Firstly, civil engineering capacities are employed during the construction of different infrastructural facilities (communal, transport, sports and recreational infrastructure). That infrastructure is not necessarily a touristic one, i.e. it has a wider social importance, but it will for sure be exploited for the touristic needs, too. Secondly, the construction of tourist capacities with the following contents is also a large work of civil engineering activity. It is especially important that numerous capacities are often built in the period of structurally inactive part of the season (in winter). Moreover, it happens that in tourist projects civil engineering participates with up to 75% of invested funds. Thirdly, the existing infrastructural and hospitality-accommodation capacities demand constant investment and innovation. According to data from the Statistical Office of the Republic of Serbia (2016), there was a total of 1,149,000 dinars invested in 2015 in the City of Valjevo for the construction of new and the reconstruction of the existing accommodation-hospitality facilities. All investments in this sector at the level of Kolubara County were absorbed in Valjevo. However, these investments make only 0.03% of all realised investments in the sector of accommodation and food on the level of Serbia. The value of all realised investments in new funds in the City of Valjevo in 2015 is 3,961,023,000 dinars, which is 0.07% of all investments in Serbia.

Agriculture and the industry of processing agricultural products realise permanent and high effects from tourism. By producing food and providing catering, various fresh and processed agricultural products, and drinks are spent. The analysis of the expenditures shows that in the hospitality industry between 35% and 50% of expenses are related to

goods for food (Jovičić, 2016). The development of tourism enables fast and efficient placement of large quantities of agricultural products, which is why it should be worked on connecting agricultural manufacturers and tourism agents in the City of Valjevo.

Numerous *industrial branches* find a large consumer in tourism, because companies in tourist economy appear as buyers of different industrial final products. For example, for the purpose of decorating and equipping accommodation and hospitality capacities furniture, household appliances, carpentry, etc. are used. Moreover, tourists buy consumer goods during their trips, although this kind of shopping is most commonly not the motive of their trips.

Conclusion

The City of Valjevo has all the potential to take the leading position in the socio-economic development of that part of Serbia. However, for revitalization of the multi decennial stumbled economy large investments are needed, which is why the investments must be directed to those branches that have propulsive effect. One of those, if not the most important one, is tourism, that brings sheer foreign currency income and multiplicative effects for the whole economy. Tourist economy potentials are almost intact, as the economic indicators and the register of tourist turnover show. Direct and indirect impacts of tourism on the economy of Valjevo are at a low level at the moment. However, there are certain trends in the development of tourism globally that indicate the fact that this area has a significant potential and is perspective in the future. In spite of the numerous comparative advantages, Valjevo is not a tourist developed environment, nor is it adequately positioned on the tourist market. In contrast to the rich and diverse natural and culture-historical resources, the existing tourist offer has remained relatively narrow and directed to the development of only a few types of tourist products.

It should be pointed out that Valjevo disposes with resource base that enables its diversification and development of numerous economic branches, not only tourism. Thus, tourism should not be expected to be the framework for Valjevo's economy, but to provide momentum for developing of the whole region with its multiplicative effects, and stimulate the activation of agriculture, commerce and private businesses, because that is what it has potential for. However, for starting the tourist activities in this part of Serbia, numerous changes need to be made.

Tourist infrastructure should be built and improved, which includes equipping localities with suitable hospitality, recreational, sanitary and other infrastructural hospitality facilities, and horticultural and landscape organisation, raising the quality level of roads. Better usage of capacities is only possible in the case of adequate valorisation of all potentials that Valjevo disposes with, which automatically drags the development of the tourism throughout the year, based on the diverse resource base.

References

1. Bošković, T. (2009). Turizam kao faktor privrednog razvoja. *Škola biznisa*, Vol 2/2009, 23–28.
2. Cvetkovski, T., Langović Milićević, A., Cvetkovska Ocokoljić, B. (2014). Problems in management of tourism offer of Serbia. *Hotel and Tourism management*, Vol. 2, No. 2, 63-72.
3. Dimitrovski, D., Milutinović, S. (2014). The place and role of tourism in the economic development of Serbia. *Hotel and Tourism Management*, Vol. 2, No. 1, 57-64.
4. Jovičić, D. (2016). *Menadžment i politika turističkih destinacija*, Univerzitet u Beogradu – Geografski fakultet, Beograd.
5. Jovičić, D. (2010). *Uvod u turizmologiju i turističku geografiju*, Ton Plus, Beograd.
6. Malinić, V. (2016). Urban Ecotourism as the Concept of Optimal Development of the Landscape of Outstanding Features "Veliko ratno ostrvo". *Collection of Papers - Faculty of Geography at the University of Belgrade*, Vol. 64, 481-516.
7. Mankiw, G. N. (2014). *Principles of Economics (3rd edition)*, CengageBrain, Hampshire.
8. Marković, S., Perić, M., Mijatov, M., Doljak, D., Žolna, M. (2017). Application of tourist function indicators in tourism development. *Journal of the Geographical Institute "Jovan Cvijic" SASA*, Vol. 67, No. 2, 163-178.

9. Ministry of Environment and Spatial Planning (2010). Spatial Plan of the Republic of Serbia, Ministry of Environment and Spatial Planning of the Republic of Serbia, Belgrade.
10. Ministry of Trade, Tourism and Telecommunications (2015). Tourism development strategy of the Republic of Serbia 2016-2025, Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, Belgrade.
11. Potts, T. D, Uysal, M. (1992). Tourism Intensity as a Function of Accommodations. *Journal of Travel Research*, Vol. 31, No. 2, 40-43.
12. Stanković, S. (2008). *Turistička geografija*, Zavod za udžbenike, Beograd.
13. Statistical Office of the Republic of Serbia (2018). *Vital statistics in the Republic of Serbia, 2017*. Statistical Office of the Republic of Serbia, Belgrade.
14. Stevanović, S., Malinić, V. (2016). The importance of manifestations for developing tourism in Belgrade. *Hotel and Tourism Management*, Vol. 4, No. 1, 53-63.
15. Unković, S., Zečević, B. (2006). *Ekonomika turizma*, Ekonomski fakultet, Beograd

**FELIX ROMULIANA: ANALYSIS OF CULTURE-HISTORICAL,
SPATIAL AND ECONOMIC POTENTIALS**

Ivana Lončar¹;

Abstract

Eastern Serbia abounds in rich historical heritage and great tourist potential, due to the fact that 17 Roman emperors were born or lived here. Not until the Master plan and its realization in form of tourist route Roman emperors road and Danube road of wine (2015) was this potential utilized and historical treasure shared with numerous tourists around the world. After the development of the tourist arrangement, an increase in the number of tourists followed (positive trend since 2015: increase of 20% in 2017 in comparison to 2015), and the route provided a growth of employment in sectors connected to tourism in Eastern Serbia (this number was 3 times bigger in 2015 in comparison to previous year). Namely, based on the analysis of secondary data collected from publicly available sources, mainly Statistical Office of the Republic of Serbia, the study concludes that the development of tourism can ensure improvement of living standard and overall economic growth.

Key Words: *tourism, Eastern Serbia, Roman Empire, development, economic growth, employment*

JEL classification: Z32

Introduction

It may be unexpected, but one of the greatest chances for the future growth of Serbian tourism lies in the country's history, especially its more distant part, measured by millennia, which dates back to the fascinating reign of the Roman Empire. Valuable traces were left behind in the territory of our country. Hidden for centuries, sometimes even forgotten and neglected, they are nowadays combined in logical and strategically formed tourist products, and thus given the chance to be

¹ Ivana Lončar, PhD, Professor of vocational studies, The College of Hotel Management, Kneza Višeslava 70, Belgrade, +38164/1405020, e-mail: ivana.loncar@vhs.edu.rs

presented to the world, especially to population who sees travelling as an opportunity to enrich spiritual life.

Seventeen Roman emperors were born in the territory of today's Serbia. They left behind: Sirmium (Sremska Mitrovica), Singidunum (Belgrade), Viminacium (Kostolac), Tabula Traiana and Trajan's Bridge (Đerdap), Diana (Kladovo), Felix Romuliana (Zaječar), Mediana (Niš) and Iustiniana Prima (Lebane) – which have been united in a unique tourist tour. Rich Roman heritage in Serbia and the fact that seventeen Roman emperors were born or lived in this area, are the foundation for culture-historical route *Roman emperors road and Danube road of wine (Put rimskih careva i dunavski put vina)*. Thanks to the cooperation between Serbia and government institutions of neighbouring countries: Croatia, Romania, Bulgaria and Hungary, it is possible to visit all the places of rich antique heritage in one attractive tourist arrangement. Each of the named countries has chosen their Roman localities and wine regions, and by joining all of them, the famous route was formed. This route was certificated in 2015 by Council of Europe, and at that moment it consisted of four of five mentioned countries, while Hungary joined the group in 2017. The route (Serbian part) starts from Sremska Mitrovica (Sirmium) and finishes in Lebane (Iustiniana Prima). This tourist arrangement has outlined the importance of the heritage preservation, possibilities for the sustainable growth and prosperity of local communities on the route.

Spatial plan of the archaeological site Romuliana / Gamzigrad (*Prostorni plan arheološkog nalazišta Romulijana / Gamzigrad*) (Government of the Republic Serbia, 2004a) as well as the Master plan of culture-historical route Roman emperors road (*Master plan kulturnoistorijske rute Put rimskih careva*) – Felix Romuliana (Government of Republic Serbia, 2008) represented the foundation for the public disclosure of this invaluable tourist asset. The document is aimed at actualizing towns, palaces and amphitheatres of Roman emperors, which are located in the territory of Serbia, then to familiarize people with the distant past of the area and to present the ways of activating and promoting interesting tourist contests in one unique arrangement.

Aim of this study is to concisely analyse important culture-historical, spatial and economic characteristics of the mentioned tourist arrangement in Serbia. First part of the study is dedicated to brief description of the culture-historical characteristics of the relevant locations and objects that belong to the route. Second part refers to the spatial and transportation

aspects of the tourist route. Third part focuses on the economic value of the touristic arrangement and critical factors for its success on the tourist market. Finally, the last part is the conclusion containing the most important elements of the study.

Culture-historical review

The idea of the Roman emperors implies connecting all of the places of rich antique heritage and the use of these places for the development of the cultural and archaeological tourism. Roman Empire established its east frontier on the Danube River. The line of military establishments was built along the road, which were used by Roman legions to attack barbaric tribes across the river. Military was followed by the traders and craftsmen, and in a short period of time, towns along the important roads started to appear. Since the third century of the new era, provinces Moesia Superior and Pannonia Inferior, which approximately comprise territory that we call Serbia today, became the centre of all activities in the Roman Empire. Later formed Roman province, Illyricum, was the birth place of seventeen Roman emperors, who ruled the empire in its late period, during the time of the greatest Roman Empire crisis. The culture road of Roman emperors presents ancient Roman towns, roads, ruins and artworks, also including Felix Romuliana, which is part of the UNESCO World Heritage List.

The most significant culture-historical monuments from the Roman period that are located on the Roman Emperors road are: Timacum Minus, Šarkamen, Mediana, Tabula Traiana, Trajan's bridge, Diana, locality Viminacium and Felix Romuliana.

Timacum Minus (Ravna, Gradište, Kuline) was a Roman camp and establishment, and its foundation dates back to the first century of the new era and lasted until the Justinian's reconstruction of the empire, in the 6th century. This is the oldest military establishment in the Timok river area, located north from the city of Knjaževac, in Zaječar district, on the coast of the Beli Timok River.

Šarkamen is a residential-memorial imperial complex, which dates from the end of the 3rd and beginning of the 4th century, which is known as the period of tetrarchy (leadership of four people). Complex is located near Negotin, and was built by Roman emperor Maximinus Daia, who wanted to leave legacy in his birth place.

Mediana is an archaeological locality where the palace of the Roman emperor Constantine the Great was located. Palace dates from the 4th century and is positioned near Niš, in which the emperor was born. Mediana was a Roman living area, complex of summer residencies, urban villas and very big agricultural land near the road.

Tabula Traiana was located along the road that was built by Roman emperors. It was set by the emperor Trajan in year 100 of the new era, when the road was completed. Trajan's bridge was built by the emperor Trajan in the period between 103th and 105th year of the new era, during the second attack of Trajan on Dacians. The bridge, parts of the portal and three pillars have lasted to date.

Diana is a Roman establishment that was built by the end of the 1st century of the old era. Beside the military function, Diana also represented an important economic centre of the Roman Empire part, with a developed dock.

Viminacium is a locality positioned near Kostolac, 95 km from Belgrade. Locality consists of the remains of Roman town, which was the capital of Roman province Moesia Superior at the time.

Having in mind that the locality Felix Romuliana is the central locality of the whole route, it is necessary to provide its detailed description. Felix Romuliana was the residence of the emperor Galerius (*Gaius Galerius Valerius Maximianus Augustus*) (297 – 311), the place where he was born and buried (Government of Republic Serbia, 2004b). It is located in Gamzigrad spa, near Zaječar. There were 61 localities found in the area of the archaeological site, with 4 of them in the protected zone. The greatest and the most significant archaeological locality, the palace Felix Romuliana, is positioned on the surface area of approximately 4,7 ha, consisting of the remains of older and the new establishment (walls, towers and gates), palace in the north part with small temple, palace in the north-east part, big temple, spa and other objects in the south part. Archaeological examinations of the locality have not been completed yet and they have lasted to date. The main problem is the lack of equipment for conservation and restauration of the found and researched objects.

Imperial palace is the most preserved example of the Roman palace architecture. The town consisted of the imperial palace, small temple, big temple, spa and horeum. It was built in 3rd and 4th century of the new era.

Galerius was born in the second half of the 3rd century, and he succeeded Diocletian on the throne. The construction of the palace started by the end of the 3rd century, but Galerius, due to his sudden death in the territory of today Bulgaria, did not have time to move in the palace. His body was transferred to the imperial palace where he was buried next to his mother, Romula. He named the palace after her. Complex with remains of two mausoleums and two tumuli, where Galerius and his mother were buried, is located on hill Magura, 1 km east from the palace. There was no interest for the palace for the long period of time. In the 19th century it was found by Baron Von Herder, who was looking for the mines, while, later, Felix Kanitz thought that it was a Castra-Roman military establishment. Since 1953, significant researches have been conducted by the Serbian archaeological team, and soon the mosaics were found, which refuted the theory that this was Castra. Not until 1984, when a fragment that had an inscription Felix Romuliana was found, was it proved that it was an imperial palace. Felix Romuliana can be compared to Diocletian's palace in Split, having in mind their culture-historical significance, but it overall represents a better preserved and richer archaeological site. Some parts of sculptures were also found, such as the head of Jupiter, Hercules, Galerius, made of white marble, which is the proof of the art value of the late ancient period. Locality was included in the UNESCO World Heritage List in the middle of 2007.

Beside the mentioned, other culture-historical monuments and archaeological localities are also positioned on the route (or close to it), dating from the neolith, Roman period and Serbian middle ages. Some of the most important are: Sirmium (Sremska Mitrovica), Singidunum (Belgrade), establishment Pontes in the Djerdap gorge, Iustiniana Prima (today: Caričin grad near Leskovac), prehistoric localities Vinča and Lepenski Vir.

Today, due to activities of Scientific Council for the cultural route *Roman emperors road and Danube road of wine*, followed by activities of Danube Centre for Competition as the project leader for the development of this tourist asset, tourist arrangement concerning Roman historic heritage was developed and it is getting attention from many tourists. Following the flow of the Danube, the route goes through five states (Serbia, Croatia, Romania, Bulgaria and Hungary) and comprises 21 archaeological localities and 13 wine regions. Beside the fact that this is cultural heritage of these countries, this route also has a potential to

become the most attractive member of the cultural route family of the Council of Europe, which has 32 members.

Spatial position

The location and coverage of the tourist arrangement was defined in aforementioned Spatial plan of the Government of the Republic of Serbia. The route passes through the tourist area that lies between the city of Niš – archaeological locality Mediana and Tabula Traiana in Kladovo. The tourist area *Roman emperors road and Danube road of wine* also includes some other important localities: Viminacium (near Kostolac), Sirmium (Sremska Mitrovica), Caričin grad near Lebane and Belgrade (Singidunum), as a tourist centre of the whole area.

Tourist route consists of numerous localities: Naissus/Mediana, Romuliana, Trajan's bridge, Diana, Tabula Traiana and Viminacium. This area lies on the following transportation infrastructure: Niš – Svrlijig – Knjaževac – Zaječar – Gamzigrad – Zaječar – Negotin – Kladovo – Donji Milanovac – Golubac – Veliko Gradište – Požarevac (Kostolac), and administratively, it includes parts of the municipalities Niš, Svrlijig, Knjaževac, Zaječar, Negotin, Kladovo, Majdanpek, Golubac, Veliko Gradište and Požarevac.

Geographic position of the area is relatively good, because of the nearby Corridor E-75 which passes on the edges of touristic area. However, the shortcoming of the area, which still requires a lot of additional work in the future, is the fact that the transportation infrastructure in the touristic area has not been enough developed. Locality Mediana is approximately 230 km far from Belgrade, Romuliana 250 km, Tabula Traiana 200 km and Viminacium 100 km.

Felix Romuliana, magnificent palace of the Roman emperor Galerius, is located in Gamzigrad, in eastern Serbia, near the city of Zaječar. Gamzigrad is located in the valley of the river Crni Timok, between Kučaj mountain, Rtanj and Tupižnica. Geographic position of the area is relatively good because of the fact that Corridor X is near, although, there is a need for better connection of Zaječar and Knjaževac with the Corridor X.

The potential of the culture-historical heritage is not fully utilized. Some other localities should be also included in the tourist arrangement, such as

Lepenski Vir, Niš fortress, fortress Golubački grad, Čele tower, Fetislam, Kladovo fortress, fortress Ramska and many others. In this way, development of tourism in Serbia would be additionally supported, especially in tourist destinations Donje Podunavlje and Stig-Kučaj mountains – Beljanica, where tourism is observed as a strategic economic branch, which affects significantly structural and economic transformation.

Economic-touristic potential

The route *Roman emperors road and Danube road of wine* in Serbia is positioned as a tour product of high value, that combines both the material and non-material cultural heritage from the Roman period, as well as the natural attractiveness of the Danube, Srem and Eastern Serbia. It is a road that links the locations in Serbia where the Roman emperors were born or lived, from Sremska Mitrovica to Lebane. The concept of a tourist product could be expanded in the following way. Tourists who choose one of the programs that could be called "Ave, Serbia", would visit Roman cities where Roman wine and Dardan cheese would be served, they would ride with Roman cariole and galleys, and would be dressed in rigors. They could also spend time trying to escape the Roman labyrinth. They would receive an "imperial passport" and a special seal at each locality. Roman restaurants would have a "Roman menu," and basements would have the appropriate wines – like the wines from Roman period. Souvenirs with a special stamp would be sold, and all the money from the sale and use of the trademark would be used to further develop the route of the Roman Emperors.

The idea for activating this tourist area dates from 2004 and was given by the representatives of relevant local municipalities. In 2008, a detailed master plan was completed, which provided a comprehensive analysis of several factors and possible development options, costs and anticipated profits. In addition, the master plan served as a platform for the subsequent preparation of individual plans and projects for a specific site or facility. The master plan was necessary in order to take advantage of non utilized but high valued cultural resources, not utilized opportunities from the development of attractive tourist products, as well as encouraging underdeveloped tourism industry, but also to prevent devastation of high value land.

Master plan for developing a thematic cultural route has provided frameworks for a harmonized system of research, protection and tourist use of the route and its key localities, and thus the basis for establishment of small and medium business and the prospective economic development of the region of Eastern Serbia. One of the goals of the master plan was the contribution in the form of a series of additional changes in the life of eastern Serbia. Namely, the realization of the idea of building small hotels and restaurants along this route, and later along the whole route of the Roman Empire covering a large number of countries, opened the space for significant employment of the local population. Among other things, the education system had to be updated in areas near the route, and to offer new, up-to-date and attractive courses for cooks, waiters, hotel management, tourist guides of the archaeological site, etc.

Thanks to the Master Plan, the Scientific Council of the cultural route *Roman emperors road and Danube road of wine*, as well as the Danube Centre for Competence, the Council of Europe certified this route in 2015 for localities and wine regions in Serbia, Croatia, Romania and Bulgaria, while in 2017 the route was expanded by localities in Hungary.

What initiated considerations not only about the improvement of tourist arrangements, which include observing the cultural heritage of Serbia, but also about the necessary investments and restructuring with the aim of developing tourism and economy, was the Danube Conference event in 2009. In order to explain why his luxurious boats with tourists rarely or almost never stop downstream from Budapest, a prominent cruiser showed photographs of tourist spots that were to be evaded. They showed muddy fields, unregulated coasts, but did not show the piers, because they simply did not exist. This was a short but effective lesson to us, given the tendency to develop this kind of tourist offer. Regardless of the archaeological and culture-historical potential of this area, tourism potential can not be realized without providing necessary infrastructure, but also a custom promotion (Lončar & Lončar, 2018).

The Tourist Organization of Serbia (TOS) has paid attention and worked on the design of activities related to the promotion of this culture-historical route. Primarily focusing on this region of Serbia as the driver of the country's tourism, and introducing new ideas, writing a plan for achieving development goals, TOS began organizing events that directed the attention of a large number of domestic and foreign tourists to the cultural heritage in the country of Serbia. Therefore, in 2009, the "Roman

Night" was organized at the Viminacium site, attended by foreign diplomatic corps in our country. Then, to the wider public, only one segment of the rich historical heritage located in the area was presented in an unusual way. The Regional Development Agency for Eastern Serbia has had a significant role in the promotion of this tourist area.

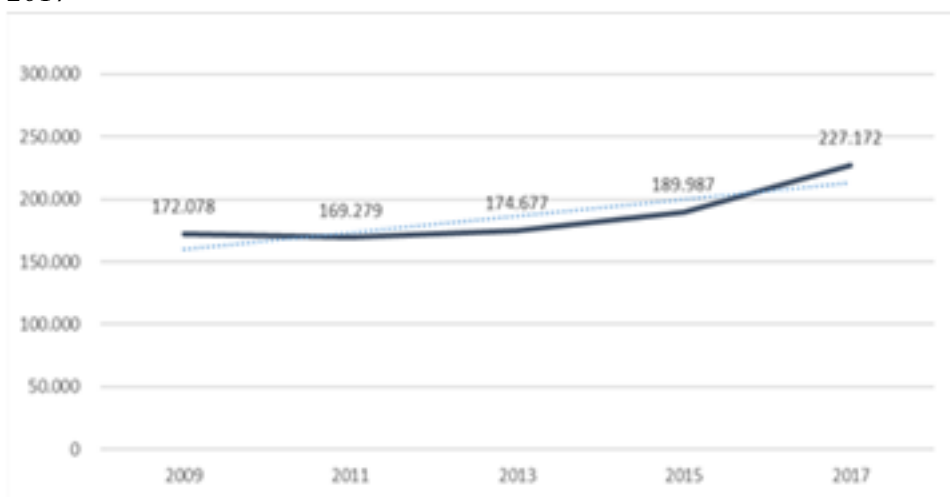
Also, in 2012, the Danube Competence Center presented an exhibition of cultural heritage from the Roman period in four Danube countries (Serbia, Croatia, Romania and Bulgaria) at the 6th International Danube Festival in Ulm. The additional tourist destinations of East Serbia were presented on the exhibition: Majdanpek, Negotin, Golubac and Kladovo. This was of particular importance, given the fact that the expansion of the tourist offer would additionally contribute to attracting new tourists, as well as the development of tourism in this region of the country. General economic development, employment of the population and improvement of living standard is also expected to follow.

Tourism is definitely one of the generators of the economic development of this part of Serbia and a contributing factor to an increase in the quality of life of the local population (Inskeep, 1991). There is also potential for further development and, consequently, additional positive impact on the economy and population in this part of the country. Prior to these tourist attractions, the overall economic situation in this area was fundamentally unfavourable. Therefore, it was important to utilize these tourism potentials as soon as possible as a generator of the economic development of the region. In this context, the project represented an entrepreneurial framework with defined strategic orientations of tourism development in the field of cultural tourism, with special focus on ancient Roman heritage in the region. In return, this has encouraged general economic prosperity along the whole route, with even more room for progress and development. This also had a positive impact on economic conditions and improvement of the quality of life of the local population, which had indeed encountered major economic problems in the environment of a worryingly negative natural increase.

Namely, historical data on several economic indicators suggest that the development of tourism, accompanied by an increase in the number of tourists in Eastern Serbia, contributed to an increase in the number of employees, thereby to the reduction of poverty and improvement of the living standard of the population.

Below is an illustration of the trend in number of tourists in Eastern Serbia since 2009, right after the establishment of the Master Plan; followed by investments in the development of tourism. Of special importance is the year 2015, when the routes *Roman emperors road* and *Danube road of wine* were established, which left a positive mark on the region's tourism. The presented analysis ends in 2017, when the route was extended, improved, and made more attractive for tourists who like visiting cultural and historical sites.

Illustration 1: *Total number of tourists in Eastern Serbia, trend: 2009 – 2017*

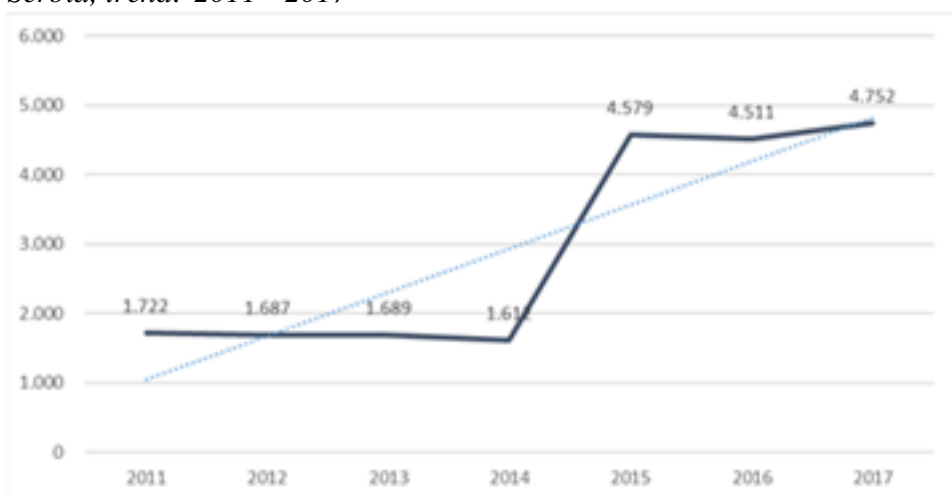


Source: *Statistical Office of the Republic of Serbia*, <http://www.stat.gov.rs/>

The previous illustration confirms the significance of the Master Plan and the route *Roman emperors road* and *Danube road of wine* for the tourism and economic development of Eastern Serbia and its municipalities. Namely, in the period after the recognition of the significance of the proposed tourist arrangement encompassing localities and both the cultural and historical heritage of this part of the country, until the improvements needed for the realization of the idea (by 2015) no significant shift in the number of tourists in the region was recorded. However, already in 2015 the growth was recorded, which then continued in the following years, reaching the number of 227.172 tourists, which was almost 20% more than in 2015 and 32% more compared to the beginning of the analysed period.

The development of tourism and increased number of visits to this region in Serbia led to an increase in the number of employees, by opening additional work places in the accommodation and food sector, as well as the arts, entertainment and recreation sector, which are all directly related to the development of tourism. This certainly made an impact on the reduction of poverty and an increase in the living standard in this part of the country. This altogether led to a higher level of population satisfaction with lower tendency towards migration to larger cities.

Illustration 2: *Number of employees in the accommodation and food service sector and the arts, entertainment and recreation sector, Eastern Serbia, trend: 2011 - 2017*



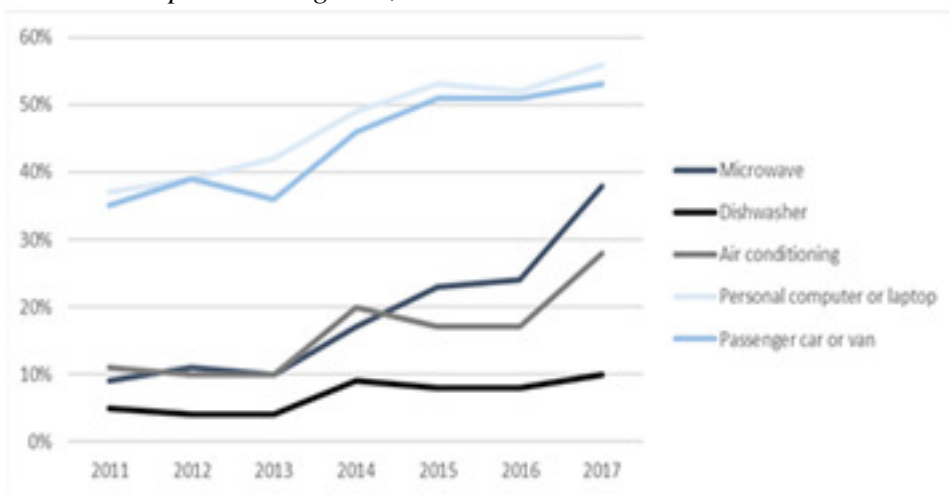
Source: *Statistical Office of the Republic of Serbia*, <http://www.stat.gov.rs/>

The number of employees in Eastern Serbia in the aforementioned sectors, which is directly related to the development of tourism, significantly increased with the realization of the idea to establish a tourist route *Roman emperors road and Danube road of wine* – year 2015. This indicator of economic development increased almost 3 times in comparison with the year before, while the growth that followed additional route improvement (after the incorporation of Hungary) recorded an increase of 4% in 2017 compared to 2015. Significant growth was expected, due to the fact that tourism fuels development and employment growth in many other sectors, mainly hotels and restaurants. For example, one successful and high-quality hotel has to have employees for the positions of top management, HR function, reception of guests,

household, laundry, hygiene and service consisting of kitchen, catering, bar and room service (Pindzo & Lončar, 2013).

Thus, the development of tourism contributed to increased employment in Eastern Serbia, which is presented by historical data on the previous illustration. However, it is even more important that this increase in employment was accompanied by improvements in living standard. The following illustration shows the percentage of households in Southern and Eastern Serbia that have selected durable consumer goods, as a measure of the living standard of the population.

Illustration 3: *Percentage of population of South and East Serbia supplied with certain permanent goods, 2011 - 2017*



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

During the period 2011 – 2017 for each of the selected categories of durable consumer goods percentage of the population that has them, as benchmarks of living standard, recorded significant increase. For example, in 2017, 38% of the population owned a microwave oven, which is a growth of 29 percentage points compared to the beginning of the analysed period (2011), and 15 percentage points compared to 2015, the year in which significant progress was made in tourism, due to the development of the route *Roman emperors road and Danube road of wine*, as well as a significant increase in the number of employees in the region - which was the foundation for an increase in the living standard.

Therefore, the quality of life of the population in Southern and Eastern Serbia improved significantly during the analysed period, which was a consequence of the growth of employment and increase in the participation of service activities, tourism and hospitality, in the overall economic activity in this region.

These factors are the drivers of economic development and prosperity. This way the development of tourism contributes to the balanced regional development in Serbia. One of the important principles of the Law on Regional Development (Zakon o regionalnom razvoju, 2015), and the resulting National Plan for Regional Development, as well as the significant goal of the government institutions in Serbia, is to stimulate the equal development of different regions and municipalities in the country, and to increase the living standard for all inhabitants, regardless of the part of the country where they live or work.

Through further improvement of the tourist arrangement, the services of hotel and other accommodation units, restaurants, transport infrastructure and additional investments in marketing activities, Eastern Serbia will additionally fuel economic development and increase in the living standard of the population in the region. This will also contribute to the growth of Serbia's economy and GDP.

In the further development of this tourist area, the experience of other countries could help. Some of the interesting and successful examples that can be consulted are the Gate of Castles through Germany and the Czech Republic and the Valley of Kings along the Loire River in France. From the surrounding area, of significant importance is the experience of tourist workers from Croatia who worked on the realization of the project Travel the steps of UNESCO (Council of Europe, 2005). The analysis of these experiences points to the following conclusions. Firstly, all successful routes are thematically defined and branded as a rounded and unique tourist product. Secondly, routes promote a certain type of tourist attraction (for example, Renaissance mansions) but complement the offer with other amenities (natural resources, specific hospitality services, and similar). Thirdly, all successful routes have a highly developed tourism infrastructure – hotels, restaurants, road infrastructure, guides, bookmarks. Successful touristic routes are characterized by cooperation between tourist agencies and mentioned infrastructure, primarily hotels and restaurants. This is proved by the fact that hotels, using BSC (Balanced Scorecard) for defining and implementing their strategies,

should rely on very important initiative for the tasks that should lead to reaching the set absolute market share target – and that initiative is active cooperation with tourist agencies (Lončar & Lončar, 2017). Fourthly, successful route is characterized by the fact that the management and marketing system is institutionalized, in a way that an organization (usually a special tourist organization), especially created for the purpose of development and promotion of the route, takes care of it. Finally, the experience of successful routes has shown that partnership relations between the private and public sectors are one of the key factors of success. Namely, most projects are implemented in the form of PPP (Public Private Partnership) arrangements with the concession BOT (Build-Operate-Transfer) contracts (Mitrović, 2006).

The institutions directly responsible for the past and potential future development of the tourist potential of Eastern Serbia and its cultural and historical heritage are: the Government of the Republic of Serbia (Ministry of Economy and Regional Development and the Ministry of Culture), the Tourist Organization of Serbia, the municipalities and tourist organizations where tourist sites are located. Mentioned institutions should cooperate closely in order to manage and share responsibilities for activities that would ensure further increase in the number of tourists, employment, living standard and economic development in general. An additional focus should be put on the management and marketing organizations of the route value tourist chain, protection and conservation of the existing cultural heritage and the continuation of archaeological research, the implementation of a marketing plan with the goal of branding and selling a unique tourist product.

Conclusion

The Spatial Plan of the Government of the Republic of Serbia has determined the location determinants of the tourist area of Felix Romuliana. The tourist area through which the route passes is the area that extends from the city of Niš and the archaeological site of Mediana to Tabula Traiana in the municipality of Kladovo. More broadly, the tourist area of *Roman emperors road and Danube road of wine* (part located in Serbia) encompasses other important sites as well: Viminacium (near Kostolac), Sirmium (Sremska Mitrovica), Caričin grad near Lebane and Belgrade (Singidunum), as a touristic centre of the whole area.

The culture-historical route - *Roman emperors road and Danube road of wine* tells a story of the rise and fall of the Roman Empire and the extremely important period of the Eastern Empire when its capital was Sirmium. At that time, Latin Rome, thanks to the emperors born here on the edge of the empire, again became powerful. Some of these traces of power and luxury are also visible today in archaeological sites, on the roads where the emperors were passing, pools with magnificent mosaics where they were swimming, bridges and palaces that they built and golden money that they were minting. Because of everything that Roman emperors left on the ground of their origins, today's tourists will travel to the places of the former Roman Empire to feel that spirit and imagine how life was then. The vision of the development of the tourist route was primarily presented in the Master Plan. This demanded a lot of work to meet the basic requirements for the reception of more tourists, such as the construction of access roads, parking, boarding houses, restrooms, signposting and training of translators and travel guides. A lot has been achieved in this field, which is proven by the establishment of the tourist arrangement *Roman emperors road and Danube road of wine* in 2015. The route originally spread through four countries - Serbia, Croatia, Romania and Bulgaria, while in 2017 Hungary joined the group with its cultural and historical heritage. There is still room and potential for improvements in tourism, as well as for the additional increase in living standard and the economic development of Eastern Serbia and, following, the entire country.

Based on the previous analysis and from the example of the development of the route *Roman emperors road and Danube road of wine*, described in the study, we can conclude that the economic success of such a tourist program requires the fulfilment of several important conditions. Firstly, the tourist product must be positioned on the tourist market, or precisely on the market of cultural tourism, as distinct, different and unique in relation to other cultural tourism programs. Uniqueness can arise from the authenticity of cultural attractions, the identity of the area, the quality of products and services, the kindness of the local population and other elements that make up the value chain of a particular product. The basic motive of the brand of this product should be the Roman heritage and the fact that 17 Roman emperors lived and built in this area. Secondly, the tourist product must be packaged into an integrated arrangement, because only in this way can it attract more tourists. Thirdly, the precondition for realization of the tourist destination must be the construction of basic and supporting infrastructure. Fourth, realization of a thematic route of this

type requires an institutionalized partnership between local municipality, state and tourism organizations (in this case also between governments of different countries). The success of the route depends on the extent to which successful partnerships can be established between public and private, as well as within the private sector. In addition, it is necessary to institutionalize the management and promotion system by establishing a special organization for that purpose. Fifth, it is necessary to carefully create the concept of cultural goods interpretation to tourists as a prerequisite for creating their unforgettable experience. Finally, the basic thematic content should be supplemented by the accompanying tourist offer, taking care not to jeopardize the cultural heritage of this area.

The economic success of such a touristic product cannot be accomplished without the simultaneous realization of cultural and social goals. Cultural goals are reflected through the need to connect cultural attractions, investing efforts in discovering new cultural treasures, increasing the awareness of the local population about the importance of culture-historical heritage and state investments in conservation and protection of existing localities. Social objectives in this context involve more vigorous engagement of local communities as partners in the process, planning of spatial arrangement and development of the area's identity, education of the population on the history of the area in which they live and increased level of participation of the population through employment and inclusion in the development of the tourist offer.

Serbia is a country of natural resources, a magnificent culture-historical heritage, an oasis of peace and recreation. However, without good organization and investments in tourism, infrastructure, marketing, promotion and country hospitality, this potential will remain wasted and hidden from the eyes of many tourists. For the cultural enrichment of people from the country, but also abroad, as well as for the economic development of Serbia, it is necessary to use the example from this study when analysing the possibility of exploiting all tourist potentials of Serbia, but also in analysing the additional improvement of the tourist offer of the routes *Roman emperors road and Danube road of wine*.

References

1. Council of Europe (2005). *Cultural corridors in South East Europe*, A Regional forum, Bulgaria, May 20-21, 4-10.

2. Government of Republic Serbia (2004). *Uredba o utvrđivanju prostornog plana područja arheološkog nalazišta Romulijana/Gamzigrad*, Službeni glasnik RS, no. 131/2004.
3. Government of Republic Serbia (2008). *Master plan kulturnoistorijske rute Put rimskih careva (Felix Romuliana)*, Faculty of Economics, Belgrade.
4. Inskeep, E. (1991). *Tourism Planning—An Integrated and Sustainable Development Approach*, 219-229, 410-432, Wiley, New York.
5. Lončar, I., Lončar, N. (2017). Upravljanje performansama hotelskih preduzeća primenom metodologije liste usklađenih ciljeva, *HotelLink 2017, Časopis za teoriju i praksu hotelijerstva*, No. 29-30, 150-159.
6. Lončar, I., Lončar, N. (2018). Primena savremenih alata digitalnog marketinga za promociju i prodaju hotelskih usluga, Proceedings from International Conference, *HotelPlan 2018*. 199-211.
7. Mitrović, S. (2006). Primena BOT modela u finansiranju saobraćajne infrastructure. *Industrija*, Vol. 34, No. 1-2, 91-113.
8. Pindžo, R., Lončar I. (2013). Analiza kvaliteta hotelskih usluga primenom SERVQUAL metodologije. *Ekonomika preduzeća*, Vol. 61, No. 3-4, 199-211.
9. *Statistical Office of the Republic of Serbia*, <http://www.stat.gov.rs/>
10. Zakon o regionalnom razvoju ("Sl. glasnik RS", no. 51/2009, 30/2010 and 89/2015 – other law).

TOURISTIC VALORISATION OF DRAGAS MUNICIPALITY IN TOURISM DEVELOPMENT

Šerif Aga¹;

Abstract

Today, the growing interest of modern tourists is to stay in ecologically clean and untouched areas that will enable them to return to nature in order to meet their tourist needs. Today's tourists are focusing on destinations whose natural resources are the basis of the tourist offer. With its exceptional alpine nature and high mountainous surroundings, the municipality of Dragash and its immediate surroundings, in terms of geographical position and tourist offer, is an adequate place for modern tourists. The aim of the paper is to identify all factors that positively and negatively affect the development of tourism in the municipality of Dragash, and determine the course of action for the full utilization of the existing natural and anthropogenic resources and the promotion of tourist activity in that part of Kosovo. The paper is descriptive, as it will describe the phenomena, processes and relations that characterize Dragash municipality as a tourist destination. Special attention is paid to the tourist geographic position of the municipality of Dragash, assessment of the natural values of tourism development, anthropogenic values, forms of tourist traffic and prospects in tourism development.

Key Words: *Dragash, geographical position, natural potential, cultural heritage, forms of tourist traffic, tourism development perspectives*

JEL classification: Z32

Introduction

The fast rhythm of everyday life increasingly encourage modern tourists to meet their tourist needs by staying in ecologically clean and untouched areas that will enable them to return to nature. In this regard, they are oriented towards destinations whose natural resources are the basis of the tourist offer. Municipality of Dragash is an area rich in natural resources

¹ Šerif Aga, Master of economic science, Dragash, +38344913907, serifaga@outlook.com, serif.aga@rks-gov.net.

that provides the possibility of returning to nature and natural beauties. It is this great wealth of natural resources that represents the primary tourist offer of this part of the Shar-mountain. Tourism in Dragash municipality is in the initial phase and the need for adequate valorisation of natural resources is needed in order to contribute to their protection and conservation. As a municipality of the southern region, with all its natural beauties (geographical position, terrain, climatic conditions, wealth of hydrographic and biodiversity potential, picturesque rural landscape, ethnographic elements, folklore festivals, sacral objects) and insufficiently existing tourist infrastructure and suprastructure (hotels, motels, restaurants), should take a significant position on the tourist map of Kosovo.

Tourist geographical position of Dragash Municipality

Dragash municipality is the southernmost municipality in Kosovo, sharing the border with neighboring countries FYR Macedonia in the east and south and Albania in the west. In the north, the municipality of Dragash is bordering with the municipality of Prizren, which is the center of the southern region of Kosovo, which includes the municipality of Dragash. 'The municipality covers an area of 435,8 km², that is, about 4% of the total territory of Kosovo, which has about 33,997 inhabitants as permanent residents'(ASK, 2012, p. 9). 'The municipality consists of 36 settlements (villages), and the town of Dragash is a municipal center'(Aga, 2014, p. 20-21). The municipality is surrounded by the high Shar-mountain in the south and east, which continues to be extended to the territory of FYR Macedonia and Albania. The territory of the municipality consists of two regions: the Opolja region in the north and the region Gora in the south. The altitude varies between 730 m.a.s.l. in the north to 2.550 m.a.s.l in the south, and the municipality itself, on average, is at 1,620 m. above sea level. 'The hilly and mountainous geographical position influenced the development of small, concentrated, rural populated places that extend along the three main valleys'(Šarplaninske župe, 1997, p. 127). 'The undeveloped mountain range of the Shar-mountain is ideal for an invaluable adventure in nature'(Marcus, 2010, p. 36). At the same time, this is the reason for the isolation of the municipality and its current infrastructure and other problems.

Evaluation of natural values of the tourist development in Dragash municipality

The issue of the relationship between the development of tourism and the natural environment is one of the basic ones, which significantly influences all dimensions of tourism development. Tourism is one of the forms of exploitation of nature. The development of tourism and the protection and enrichment of natural resources are basically complementary. However, tourism is a factor that, on the basis of its effects, transforms space. 'One of the possible forms of tourism activity on the environment, that is, the environment is valorisation' (Popesku, 2016, p. 162).

Characteristics of the terrain

'The municipality of Dragash has mountainous terrain, and in the border regions with Albania and Macedonia there are high mountain peaks, ranging from 750 to 2550 m, with an average value of 1620 m'(LPDBOD, 2007, p. 10). The specific characteristics of Dragash are spacious pastures that make this area suitable for livestock, agriculture and tourism. In a geographical view, Dragash is located in the center of protected nature zones, such as the Shar-Mountain National Park, Mavrovo and Korab, in Kosovo, Macedonia and Albania. 'This municipality has an outstanding landscape, with beautiful areas (pastures), healthy climate, very clean air, a very large number of cold springs, a large number of rivers and beautiful valleys, forests, characteristic flora and fauna, lakes, etc'(RSN, 2010, p. 16). Tourism activities and activities such as skiing, hiking, alpinism, speleotourism, extreme sports as well as other forms of tourism can be developed unimpedibly.

Climate

Climate is one of the main factors that attract people to travel more often. The climate conditions in all geographical latitudes affect man, his activities and psycho-physical health. 'Temperature and humidity, precipitation, cloudiness, wind, solar radiation play a key role in the development of certain types of tourism'(Jovanović, 2017, p. 185). For tourism, climatic conditions, or climate change, the phenomenon is the sectoral change of mountain tourism destinations. The climate is one of the most important natural potentials for the development of tourism in

this area. The whole area is exposed to a modified Mediterranean climate thanks to the valley of the Bel Drim River, to which all river flows from this area belong.

Water resources - hydrographic potentials

Due to its geological composition, climatic characteristics and expressed mountain geomorphological forms, the water wealth in the municipality of Dragash is a special potential for the development of tourism, and it is made up of a developed river network, numerous springs and picturesque lakes as well as groundwater. Municipality of Dragash is dotted with a dense network of river mountain streams, and takes the second place in Kosovo by the wealth of water resources. All the water from the municipality goes through the White and the Black Drim to the Adriatic Sea. 'All rivers and their tributaries, as well as numerous lakes, are located mostly under mountain peaks at an altitude of more than 2500 m, so they are clean and in a quality class, with average rainfall of 1,130 mm/m² per year'(PROD, 2013, p. 12).

Evaluation of the anthropogenic value of the tourist development of the municipality of Dragash

Culture as the spiritual and physical value of each nation in the municipality of Dragash has passed through different stages. The complete culture of the municipality of Dragash is based on Islamic culture and civilization, influenced by other related Islamic peoples, and finally for other pagan elements from the ancient past. Dragash municipality belongs to the Prizren region, and the seat of the Regional Center for Cultural Heritage is located in Prizren. In the municipality of Dragash there are many ruins of older settlements, but some of them have lost their mark, and only the names such as "Zinova" have remained, as an ancient city. Near the village of Belobrad there are traces of the ancient locality "Gostil" and similar traces are encountered near the village of Brut. 'Of particular significance is the route Tetova-Skadar-Lijes, passing through the Shara mountain and the ancient city built in the Roman era "Zinova" is assumed to have played the role of a regional shopping center'(LEAPD, 2013, p. 27). On the basis of previous superficial investigations, the oldest traces of material culture in this area from the prehistory can not be reliably determined, but it can be assumed that there are traces from the ancient period, which is also referred to by the folk tradition. 'The Regional Institute for the Protection of Cultural Heritage

Monuments in the territory of the municipality recorded these facilities: 43 mosques, 5 turbets, 7 mills, 11 archaeological sites, 47 buildings of folklore architecture, 2 public buildings and 1 roller' (LEAPD, 2013, p. 28). 'The main festivities that could be used not only to attract tourists but also to help protect the cultural heritage are: sacred objects, folk costumes, wedding customs, festivals (Djurđevdan, Spring Day, etc.), pelivans, horse racing, shar mountain dogs, etc' (Aga, 2013, p. 1218).

Human resources

The latest population data are coming from the 2011 census, showing that in the municipality of Dragash there are about 33,997 persons in the status of permanent residents of the municipality. The population is 78 inhabitants / km², of which only 3.22% live in the city, while 96.78% live in the villages. 'Natural increase in population in the municipality of Dragash municipality is 0.84% and 1.13% at the level of the place, there is a balance between women and men (50.11% of women with 49.89% of men), and coincides with the situation with the national average value of Kosovo (50.3 % of men and 49.7% of women)' (ASK, 2012, p. 11). On average, families in Dragash have 5.5 members, which is close to the national average of Kosovo, which is 5.9 members. Emigration is quite common.

Tabele 1: *Population and villages in the municipality of Dragash 1921-2011. Year.*

Vilages	1921	1948	1953	1961	1971	1981	1991	2008	2011
Bačka	167	222	249	259	311	381	215	44	52
Belograd	232	415	345	385	568	808	998	1780	948
Bljač	360	474	503	594	797	1023	1415	2150	1455
Brezna	590	908	871	946	1410	1971	2465	4103	1990
Brod	1863	2248	2229	1604	1485	1685	1741	1200	1544
Brodosavce	844	1219	1229	1353	1861	2498	2999	4500	2839
Brut	450	596	584	575	798	1097	1319	1800	1164
Buče	269	398	400	437	574	766	913	1005	645
Buzez	74	102	102	127	191	240	366	380	320
Dikance	162	318	320	349	392	282	257	133	124
Dragaš	172	408	480	612	694	1114	1532	1893	1098
Globočica	391	648	683	757	813	1002	968	630	960
Kapra	154	214	255	265	354	496	582	503	452
Kosavce	300	488	486	525	720	912	1033	1200	905
Krstec	299	465	440	475	562	798	837	272	420

Kruševo	126	281	319	377	513	645	738	625	857
Kukovce	433	640	655	669	985	1335	1619	2550	1658
Kukljibeg	234	408	383	409	516	658	916	1100	852
Kukaljane	361	543	551	482	605	777	621	290	235
Leštane	-----	537	493	513	658	758	679	197	783
Ljubovište	211	344	352	384	541	690	799	360	773
Mlike	260	461	428	428	455	506	335	114	92
Orčuša	-----	415	370	396	431	427	221	57	60
Plava	-----	462	449	493	690	972	1125	420	1000
Plajnik	-----	322	321	365	485	549	576	1200	405
Radeša	440	753	794	837	884	1279	1226	953	1224
Rapča	622	889	877	885	1125	1647	1781	863	853
Restelica	745	1397	1471	1772	2576	3476	4274	4200	4698
Rence	127	188	177	202	292	473	685	700	581
Sainovce	440	626	639	705	921	1253	1415	1950	1069
Vranište	-----	757	771	815	884	926	731	297	352
Zrze	90	215	202	205	269	335	373	250	236
Zapluzje	470	667	663	666	967	1275	1504	2250	1273
Zgatar	435	435	401	415	640	818	985	1400	885
Zlipotok	-----	486	488	532	568	625	619	322	610
Zjum	139	197	167	215	315	457	573	480	585
Municipality	11460	20140	20147	21028	26850	35054	39435	42171	33997

Source: (ASK, 2012, p. 11).

Traffic connection and communication

Dragash municipality is connected to the other part of Kosovo via two roads: one is directly connected to the new road between Tirana (Albania) and Pristina, this regional road starts in the village of Zur (Prizren) and ends up with the farthest villages in the municipality of Dragash (Restelica and Brod); and the second road that is asphalted (2018), which goes to Prizren through some villages in Zupa and connects to the village of Zapluzje (Opolje). Dragash municipality is characterized by having one entrance and no exit, and is often described as a blind hose. It has three cross-border crossings, the first with FYR Macedonia which is impassable, on the route Dragash - Restelica - Srezimir-Mavrovo. And two border crossings towards neighboring Republic of Albania, (Šištevci and Borje), which enable easier traffic connections and better communication with neighboring regions. There are about 570 km of roads and trails within the municipality of Dragash accessible for ordinary vehicles, all villages are asphalted. There are seven private bus companies operating on bus lines, there is more communication through Prizren and

the Opolje region than directly from Prizren and Dragash (only one bus line). 'Transportation services in Dragash are provided by taxi vans and cars, and there are very few bus lines that go in a certain order of driving'(Aga, 2014, p. 109). Regions in the municipality (Opolje and Gora) are not connected with bus lines, and there are no bus routes for Prizren – Gora either.

Characteristics of accommodation capacities

'The recent development of international travel, hotel companies in their global orientation have to make constant adjustments to market trends. These adjustments primarily relate to the selection of an adequate type and category of hotels, but also to finding new forms of accommodation. This sets the basis for the quality of services that will be provided in a specific facility and create opportunities for involving other participants outside the enterprise'(Čačić, 2013, p. 107). The reception and absorption possibilities of the tourist offer mostly depend on accommodation capacities. The tourist accommodation offer in the municipality at the current stage of development is inadequate and incomplete. Accommodation capacities are limited, but also underused, and the main reason is the poor content of the touristic stay. Tourist service providers in the municipality of Dragash, which can be competitors in the surrounding area, are: Arxhena Touristic and Recreation Center in Brod and hotel "Meka Shar", as well as accommodation receptive ambient which is under construction at Vidikovac. There are other motels that provide tourist services with traditional food, as well as private facilities that are ready to accommodate tourists. Hotel Meka has a total of 34 rooms, single bed, double and triple bed, all rooms offer a flat-screen TV. Reservations for the hotel can be made via Booking.com. We constantly help hundreds of passengers find the perfect hotel for private and business trips, always with the best discounts and special deals. The Arxhen Tourist and Recreational Center is located 12 km from Dragash, behind the village of Brod, at an altitude of 1384 meters, in an extraordinary rich natural breath-taking ambiance, near the Duška reka, which is fast and clean river. Arxhena hotel offers an à la carte restaurant, gym, sauna and Turkish bath and a free ski lift that climbs on the slopes of the Shar Mountain, at an altitude of more than 2000 meters, is located in the immediate vicinity of the hotel. The aforementioned accommodation capacities are highly positioned regarding the provision of tourist services, in relation to competitors from the surrounding area (Brezovica and Mavrovo). Consequently, the results in the tourist valorization of

natural, ethnographic and other cultural potentials of the municipality began to be achieved, that is, in the development of recreational, cultural, excursion forms of touristic movements. This also applies to the affirmation of tourist motives, despite the effects of numerous limiting factors expressed in inadequate organization of tourist facilities and placement of offers. 'The municipality of Dragash has the potential to develop and market a unique tourist offer that can be integrated into the already existing regional offer'(Aga, 2014, p. 162).

Forms of tourist traffic (complementary forms)

Winter-sports tourism: Great altitude, high precipitation, and also in terms of quality and length of snow cover at which Dragash municipality is situated (an average of over 1100 meters), grassy mountains provide good potential for alpine skiing and winter activities such as: skiing and cross-country skiing. It is not rare that during the same day you can experience all four seasons, and during July and August, the highest parts of the Shar-mountain are covered with snow, so that visitors can have it all year round. In addition to these, this area also has other natural and anthropogenic potentials that can be valorized efficiently and included in the offer both during the winter and during the summer tourist season. 'This region has elements of terrain for organizing various memorials, as well as the so-called "extreme skiing", which means mastering steep slopes on specially constructed skis'(Šarplaninske župe 1997, p. 200).

Picture 1: *Potential for NSA - Sports Tourism (Restelica, Brod)*



Source: author

'In 1968, international experts for winter tourism, Iten and Rey, pointed out the touristic and development significance of these natural values,

which included the northern and northwestern parts of the Šar-planina mountains into the most significant potentials for the development of the winter tourist season in the entire territory of the former Yugoslavia' (Iten - Rey et al., 1968, p. 113).

Eco tourism: Summer, daily and sports-recreational (ecological) tourism is a promising form of tourism in the municipality of Dragash, because there are very suitable natural conditions for this tourism, which are underutilized in the current stage of development. This type of tourism is closely related to natural resources, favorable climate, meadows rich in various flowers, numerous springs and colorful landscapes are suitable for the development of summer tourism in all the above mentioned places. This type of tourism is based on the direct contact of tourists with original or slightly altered nature, which allows pleasant walks and stay in the endless flower pastures. Attractive hydrographic objects, especially ice lakes, which are especially numerous in the southern part, in Brod and Restelica zones, then the lake in Brezne, which is at a lower altitude, and accessible to visitors, is located on the section Dragash – Prizren.

Mountain tourism: There are excellent opportunities for development of hiking activities and establishment of mountain huts at suitable locations. 'The area of this part of Shar-mountain, which has incredible potential for hiking and natural tourist destination, is unfortunately not known to people, because it does not exist in official tourist offers' (Wassel, 2011, p. 64-65). Mountains of this area are part of the southern Kosovo national park "Shar-mountain". On the other hand, right across the border of FYR Macedonia, Mavrovo National Park attracts tens of thousands of tourists every year. 'This area of the Shar-mountain is suitable for excursion hiking strolls, and the wide valley areas and forests, as well as the rounded, always easily accessible peaks, which rise very high above the horizon, are suitable for several forms of hiking' (FSETPŠKD, 2010, p. 18). These are: orientation competitions in the Nordic or other system, then for determining and editing interesting longitudinal and transversal hiking routes, as a modern basis for hiking, which provide a precise system of mountain activities.

Hunting and fishing tourism: For these types of tourism, there are favorable natural conditions (forest and grass complexes as habitats of wild animals, various natural shelters, wealth of running water, etc.). But this type of tourism has not been developed due to a number of limiting factors (lack of hunting service, illegal hunting, harassment of wildlife

due to exploitation of the forest and frequent burning of the forest, etc.). Highly valued habitats of wild goats and bears, as well as lynx, can be independent tourist motives in this area. 'There is a long tradition of hunting on Shar-mountain and Koritnik, but nowadays there is a strong orientation towards a touristic clientele who is prone to a large consumption, both on domestic and foreign tourist market'(NPPNPŠP, 2009, p. 41). Rivers in the municipality of Dragash are very rich mountain trout. Rivers are mountainous and fast so fishing in these rivers requires a skill. Radika and Čaljanska rivers, located on the borders of Macedonia and Albania, are rich in river trout and are attractive for fishing and daily rest. These rivers are 15 minutes away from the village of Restelica by car. However, the lack of infrastructure and post-war situation have made this part of the Shar-mountain not as visited as the part in the Brezovica region. For the development of this type of tourism it is necessary to promote hunting and fishing resources and improve infrastructure.

Picture 2: *The Radika River near the mountain Korab*



Source: author

Rural tourism: The "tourist capital" of the village in relation to the city consists of a very different ambience, in an environment full of natural beauty, intimacy and local landmarks, as well as the still existing customs and specific gastronomy. Developing this type of tourism would contribute to the economic revival of the village, and its former lackness in this area would turn into a comparative advantage. Of course, it is necessary to ensure that the stay is organized only in houses that represent the official tours, and are able to provide the comfort that a modern tourist

needs. This should be supported by favorable loans that will help in decorating and equipping these receptive capacities. Taking into consideration the traffic connectivity and attractiveness of natural and anthropogenic motifs, as well as the specificity of rural units, rural tourism in this region should begin to be organized in the villages of Buče, Kukovce, Brezne, Mlike, Bačka, Orčuša and Zlipotok. These are villages where old cultural monuments can be seen, such as the mosque in Mlika and Brezna old tombstones, houses from the Ottoman period, favorable geographical location of these villages. These are villages where the number of inhabitants stagnates or decreases gradually and also villages with increased depopulation and demographic emptying. We deliberately named these villages in order to preserve the value of these cultural assets and raise them to a higher level, and also to bring the population back to stop the emigration of the inhabitants in these villages.

Health care tourism: This type of tourism can also be developed and become one of the elements of tourist valorization of the nature in this municipality. Due to the climatic diversity of this area, where the county climate is prevailing, which is very suitable in both winter and summer, and the mountain climate in the zone between 1000 and 1400 m.a.s.l., which is favorable for the development of this type of tourism. A bungallows can be built at the base of Koritnik. There are conditions for the development of health care tourism, because the area is rich in pine forests and pastures, and then on the Kruševo-Restelica route, climatic factors are favorable for climatotherapy, medical rehabilitation and medical focused recreation. This type of tourism requires the construction of health care facilities and the protection of these zones.

Excursion tourism: This type of tourism, especially if the activity is organized with a general and thematic educational character, can be intensively developed and implemented. This especially applies to all kinds of educational excursions (school excursions, student, postgraduate and various professional and scientific excursions) due to the concentration of various, but unique geomorphologic, geological, hydrological, biogeographical and other natural motives, but also because of the anthropogenic, and especially ethnographic and other cultural values of the municipality of Dragash. 'The cultural and historical-artistic values of preserved sacral objects (mosques, mezarlucs, turbets), proclaimed cultural property, are of exceptional importance for Dragash municipality and Kosovo'(ECTN, 2006, p. 86). They are a special curiosity in the exceptionally beautiful natural and rural ambience and in

the quiet areas of the Shar Mountain, and can be an important motive for study excursion activities.

Picture 3: *Tourist-recreation center,, Arxhena,, Brod*



Source: *hotel website*

Event tourism: Due to the attractiveness of the folklore elements of the events in this area of the Shar-mountain, it can be an independent form of touristic activity. In this area, events are held in which very interesting ethno-cultural and folklore elements come to the fore, fights of pelivans and horse races are organized. Such a specific tradition should be maintained either as an independent event or as a part of wedding customs, where folk costumes of this area are presented. The municipality of Dragash is an ideal opportunity to meet interesting wedding customs, as well as the richness of folk costumes and jewelry.

Perspectives of tourism development

Bearing in mind the numerous development limitations, and in particular the extremely unfavorable economic and political situation, as well as the realistic possible alternative policies and scenarios for the development of all segments of the Kosovo economy, the priorities in the development of tourism in this area (to create more favorable general economic, investment and political conditions) should be the following: Undertaking all available measures with the aim of building new touristic facilities, preserving and maximizing the use of tourist facilities that are already built, in particular: promotion of ownership, managerial, organizational, financial, personnel and marketing transformation of business entities; stopping the deterioration of tourist facilities and equipment through the necessary ongoing maintenance (for example, promotion of facilities that were owned by the social property and privately owned, for example

Hotel "Shar" in Dragash, today Hotel "Meka" Shar, then Sport and Recreation Center Hotel "Arxhena" in Brod, restaurants in the whole area and some resorts on the mountains); maximum animation of potential segments of tourist demand for more efficient use of existing capacities, etc. 'Particular importance should be given to the development of appropriate spatial planning documents, especially those relating to the formation and development of the necessary infrastructure, on the basis of which, after acquiring favorable conditions, capital could be engaged. Kill potentially interested investors to invest in this area'(Aga, 2013, p. 127). Regarding the infrastructure facilities, the priority task is the reconstruction of the new and modernization of the existing roads, especially those connecting potential tourist zones and sites with basic traffic directions in this area. In addition, a very important and urgent task is the construction of adequate water supply, electrical and sewage systems, in all localities in the area and in Dragash, as well as the elimination of existing wild landfill. These interventions would make a significant contribution to improving the tourist accessibility of these high-mountainous areas and increasing the overall ecological and tourist quality, which should stimulate the interest of the wider community for higher investments. In the initial stage of tourism development, until the satisfactory conditions of tourist infrastructure and suprastructure are met, this area should be given priority as a center for event tourism development and logistical support in the spatial expansion of this branch of economy in the municipality of Dragash. At the beginning of the more extensive development of tourism in this area, the priority should be given to those zones, which with their resourceful diversity enable the formation of polyvalent centers with the year-round functioning of the tourist product, which would provide as much rationality as possible for the use of facilities and profitability of operations. Tourists from this region, and especially larger touristic organizations, should permanently work on research and animation of demand, especially those segments that are increasingly interested in the so-called "white" and "green-ecological" destinations. It is necessary to prepare in time for a thoughtful and organized appearance at the demand and capital market. Priority should be given to domestic tourism that will have a definite participation in the long run.

Conclusion

At the end of this research, we can conclude that the main and auxiliary hypotheses that were set at the beginning of this paper are confirmed, that

the Municipality of Dragash really has significant tourist resources and attractions that can be the basis for the development of tourism in this municipality and on such basis Dragash municipality can really play an important role in the tourism market of Kosovo and the region. There is a possibility for a sustainable development of tourism, but not much has not been done so far on this plan. The municipality of Dragash is located on the border of Kosovo, Albania and Macedonia, ie it occupies the southern part of Kosovo. Part of the Shar-mountain belonging to the municipality of Dragash has a low degree of development both in the overall economy and in the tourist industry within it. Unlike the part of the Shar-mountain belonging to Brezovica, this area does not have a material nor traditional basis of tourism development, at least not in the extent that this activity could play a significant role in the overall development of the area. It is a border part of the territory of Kosovo which, considering the estimated natural and anthropogenic resource values, makes a potential tourist destination. Due to numerous limiting factors that influence the development of tourism such as: poor infra and suprastructure, closure of the area, lack of tourist organizations, tradition, marketing, citizens' awareness, the development of this branch of economy is prevented. At the local level, maximum efforts are being made to revitalize tourism as a branch because this area has development conditions. These conditions are: natural beauty, human resources, bio-food, then there are sites and zones where several forms of tourism can be developed (winter-sports, hiking, summer events, hunting and fishing, health care tourism, excursion, transit and rural tourism). Despite the challenges that the Municipality of Dragash faces, this part of Kosovo has enormous tourist potential that stems from natural characteristics, rural life and cultural diversity. Municipality Dragash is an unexplored area filled with opportunities for tourism development.

"It takes some skills to be poor in such a naturally rich environment"(Author)

References

1. Aga, Š. (2014). *Gora kao turistička destinacija*, Monografija. Prizren, 2014.
2. Aga, Š. (2013). *Gora kao turistička destinacija*, *Ekonomski izazovi, Novi Pazar*, Vol. 2, No. 4, 124-131.

3. Aga, Š. (2013). Kulturna baština Regije Gora kao faktor razvoja turizma, 5. *Uluslararası Balkanlarda Sosyal Bilimler Kongresi, Bildiriler, Volume 2, Novi Pazar, Srbistan, 1215-1228.*
4. ASK (2012), *Agencija za statistiku Kosova, Procena stanovništva Kosova.*
5. Čučić, K. (2013). *Poslovanje hotelskih preduzeća*, Univerzitet Singidunum, Beograd.
6. ECTN (2006). *Evropean Cultural Turism Network, Project Reeport.*
7. FSETPŠKD (2010). *Feasibility Study on establishing a transboundary protected area Shar/Šarplanina – Korab – Dešat.* UNEP Vienna – ISCC.
8. Iten Ž, Rey M. (1968). *Analiza mogućnosti i problema razvoja zimskog turizma u Jugoslaviji*, OECD, Ženeva.
9. Jovanović, V. (2017). *Turizam i Prostor*, Univerzitet Singidunum, Beograd.
10. LPDBOD (2007). *Lokalni Plan Delovanja Biodiverziteta*, opština Dragaš.
11. LEAPD (2013-2018), *Lokalni ekološki akcioni plan Dragaš*, opština Dragaš.
12. NPPNPŠP (2009). *Nacrt prostornog plana NP Šar-planina*, Institut za prostorno planiranje, MŽSPP, Priština.
13. Marcus, N. (2010). *Vodič za neotkrivenu lepotu*: UNDP Kosovo- Dragaš.
14. Popesku, J. (2016). *Menadžment turističke destinacije*, Univerzitet Singidunum, Beograd.
15. PROD (2013-2023). *Plan razvoja opštine Dragaš, Dragaš.*
16. RSN (2010). *Report on the State of Nature 2008-2009*, KEPA, Priština.
17. Šarplaninske župe (1997). *Gora, Opolje i Sredska, Društveno-Ekonomski razvoj*, SANU, Geografski institut "Jovan Cvijić", Knjiga 40/III, Beograd.

18. Wassel T. (2011). *Planine Dragaša, Vodič o planinarenju i prirodni turizam*, UNDP Kosovo-Dragaš.
19. Hotel reservations <http://www.booking.com/hotel/xk/meke.sr.html> (25.02.2019)
20. Accommodation capacity http://www.tripadvisor.com/Hotel_Review-g6278555-d6226978-Reviews-Meka_Hotel-Dragas.html (25.02.2019)
21. Accommodation capacity <https://www.google.com/search?q=hotel+arxhena+brod+dragash&cad=h> (27.02.2019)

POSSIBILITIES FOR URBAN TOURISM DEVELOPMENT IN THE MUNICIPALITY OF CAIR

Sasho Korunovski¹; Michael Risteski²;

Abstract

This paper examines different possibilities for development of tourism in the Municipality of Cair. There is a real need for advancing current development of tourism. Tourism has significantly been increasing for the past decade. However, the Municipality is one of the smallest in the country, with urban characteristics. On the other hand, it has numerous tourism values which are not being used in a satisfactory degree. Thus, the need arose to determine new methods for creating attractive tourism products with the available resources. This paper is the result of the conducted research activities at the territory of the Municipality. It presents the findings from the study for creating a Strategy for tourism development. The results should allow an optimal use of the available resources in terms of urban tourism development. In this sense elaborated are different recommended measures and activities that have to be implemented in the future.

Key Words: *tourism development, urban tourism, tourism strategy, tourist activities, tourism trade, tourism branding*

JEL classification: Z32

Introduction

The Municipality of Cair is a typical urban municipality. It occupies a relatively small surface area of 3.52 km². The administrative structure of the Municipality (local self-government) is located in the settlement of Cair. On such a relatively small area there are 6 urban units located: parts of Gazi Baba, Dukanjlik, Stara Bazaar, Topansko Pole, Ciglana and Cair.

¹ Sasho Korunovski, PhD, Full Professor, Faculty of Tourism and Hospitality – Ohrid, Kej Makedonija, #95, 6000, Ohrid, Republic of Macedonia, phone: +38976355500, e-mail: saso.korunovski@uklo.edu.mk

² Michael Risteski, MA, Assistant Professor, Faculty of Tourism and Hospitality – Ohrid, Kej Makedonija, #95, 6000, Ohrid, Republic of Macedonia, phone: +38972227414, e-mail: michael.risteski@uklo.edu.mk

Considering that this is a prevalent urban environment, there is a high population density (18,415.63 people per km²). Such a densely populated area and tourist infrastructure are the basis for development of the hospitality sector, especially in the field of domestic accommodation (Naumov & Risteski, 2010). In the past period, the Municipality has faced problems from the urban domain. In this sense, especially prevalent is the problem of parking space and accompanying content, although it is a relatively developed municipality. It is necessary to encourage public-private partnerships and to create specific programs that will enable continuous development. As a city-based municipality, it shows an evident cooperation within the Skopje Planning Region, with Skopje as an integral whole of the capital of the country, as well as with the different municipalities from its surroundings. Certain conducted research shows the possibility for distinguishing development projects that have an explicit character and the possibility for optimal use of the structures and means in their realization (Naumov & Risteski, 2010). This Municipality belongs to the group of municipalities that have defined their development through a symbiotic relation with the Skopje urban environment. In that sense, it should be noted that a high degree of urbanization is present. This high degree of urbanization, however, requires the structuring of new content within the domain of public-private partnerships and concessions. The increased employment in the administration has created a burden on the Municipality. Therefore, it is necessary to activate the economic sector. More specifically, this is possible through development of tourism sector, which implies specific projects with the possibility of involving actors who will develop common interest in this field (Risteski et al., 2011).

The Municipality is active in the field of modernization of public lighting with modern components from the energy sector. This represents a successful example of public-private partnership and one of the experiential components in the sustainable approach to the development of the Municipality. The capital project for construction of the Skenderbeg square is under way with planned activities of infrastructural, suprastructural and informative character (Marinoski et al., 2018). The tourist - geographical location of the Municipality of Cair within Skopje allows it to be considered as an area that is dominated by cultural values and urban infrastructure, as well as with scientific and educational potentials that can be successfully used in the development of tourism in this destination. This type of location provides great transport dynamics, with which the Municipality is defined as one of the central municipalities

in the tourist trade. Thus, it is characterized by transitness (Marinoski et al., 2017).

Research methodology

The strategic framework and the methodology used for the research imply a contemporary approach and sound research activities that will allow determining development priorities in the field of tourism in the Municipality of Cair. Its preparation and implementation is conducted by determining the components that are necessary for applying this research. It is necessary to apply research principles used in the research study, as well as the legal framework on which it is based, not only the preparation, but also its adoption and implementation. In the interest of this paper, the latter will not be examined. The need for conducting this research is determined by the municipality's aspirations to transform itself into a recognizable tourist destination. This is due to the attractive properties the Municipality possesses that primarily have cultural character, but which also have some natural values as complementary tourist values. In the function of tourism development are also the favorable infrastructural and suprastructural conditions. The methodology for conducting this research, as well as for implementing its findings, encompasses several segments that should provide a sound qualitative and quantitative analysis. Their synergy allowed us to identify diverse tourism-related problems and accordingly, to find appropriate solutions. The resolution of problems is based on the created propositions and measures. This has allowed us to come to contemporary results. In this sense, applied practices in other urban areas determined the use of comparative methodology. This is related to the adoption of elements of other best practices in this field. The modern methodology included all present stakeholders as research targets, while the analyses were comprised of developmental parameters from different domains. This derived from the fact that tourism should not be treated as an economic branch but as an activity in which hospitality, transport, trade and crafts have a dominant role in the future development.

The analytical methodology allowed us to determine the volume, dynamics and structure of tourism development and on this basis to propose developmental measures and activities, the trends and levels of development (Marinoski et al., 2018). Furthermore, encompassed are conclusions that arose from the data about tourist visits and stay, data about the structure and dynamics of the tourist consumption, data about the quality and volume of accommodation units and their utilization, the

determination of the emitting tourism zones and tourist markets. The conclusions from the research study determined the need for changes and improvements as well as the inclusion of appropriate personnel in the implementation of the strategic measures and activities. The analysis refers to human resources, employment and the quality of the physical resources. In order to reach the relevant indicators for the development of tourism in the municipality of Cair, it is necessary to review and critically analyze various domestic and foreign scientific and professional literature, documents for planning, development strategies and other adopted documents within the local structures that are related to the tourism and hotel-catering potentials. In this regard, considered were also different documents at state level relevant to the development of tourism. The indicators that refer to the attitudes and opinions of the relevant stakeholders are obtained through primary research activities. In this sense, the interview as a research technique was used for gathering primary data. It is important to mention that the primary research activities were dominantly field-based. The characteristics of tourism development were examined from the stakeholders' point of view while included were also the opinions of diverse expert and scientific public. In order to be able to realize the research process, it was necessary to establish argumentative components. In this sense, determining the priorities, implementation models, time frames, and the vertical and horizontal coordination at all levels were also very important. The benefits from this research should have general, scientific and professional significance. This study was based on a specially created theoretical-methodological approach, with a high degree of professional applicability. The **methodological approach** in determining the development opportunities in the Municipality of Cair relies on five relevant operational undertakings that should subsequently be realized (Marinoski et al., 2018).

- *Review of adopted strategies, plans and development programs* in which the activities undertaken and the development opportunities in the Municipality of Cair should be recognized. This allowed determining the levels of treatment of this issue. The strategic documents for Local Economic Development have been adopted and this is the foundation upon which the profile of the Municipality was built. It is an urban Municipality with adopted general and detailed urban plan. There are also action plans whose dates expire and new ones need to be established. Regarding the specific programs, the Municipality has adopted sector programs for labor and social policy, as well as a two-year program for the protection of the environment.

Environmental protection is a basic determinant for the development of tourism in the Municipality. In addition, an action plan for energy efficiency in the Municipality has been conducted, which can be related to tourist infrastructure. Within the framework of the revision of the existing strategies for Local Economic Development, plans and programs some opinions and views should be determined: The documents mostly have action plans for implementation. It can be noted that the action plans are generally being implemented; there is a general satisfaction from the implemented plans and strategies. However, it is necessary to adopt a local environmental action plan and to prepare plans for public-private partnership and other forms of cooperation of the most important stakeholders in the tourism development of the Municipality (Korunovski et al., 2013).

- *Analysis of the values* on the spatial location that allowed recognizing the significance of the links between the different tourism spheres, to establish links with the environment and to determine its place in the spatial relationship to other municipalities in Skopje. The tourist-geographical location of the Municipality of Cair is in the function of using the available resources. In terms of its transitness, it itself represents a tourist value.
- *Determining the attractive-resource basis* of natural and cultural character with an emphasis on traditional ethnographic values and cultural monuments. This has the purpose of making an inventory of natural and cultural resources that then served as the basis for tourist valorization.
- *Identification of the receptive basis* (the qualitative and quantitative values of accommodation, catering services, crafts and craft-related services, communal infrastructure), which is one of the main factors in meeting the needs of tourists. The gathering of data and analyzing of these parameters has developmental characteristics.
- *Analysis of the interview* as field research technique allowed for genuine determining the problems and possibilities for their resolving on the basis of the views and opinions of the informed stakeholders, primarily the employees in the sector for Local Economic Development and the business sector.

Assessment of the current situation in the Municipality of Cair

The assessment of the current situation in the field of tourism in the Municipality of Cair incorporated the engaging factors for development of tourism. These factors are the following: tourist potentials as the

resource base, the scope, structure and dynamics of the hospitality and catering industry, the organization and regulation of the activity, the level of environmental protection and its involvement in the tourist activities, the tourist operations with a special emphasis on the receptivity of the area, markets and characteristics of tourist products as part of the tourist offer. For this to be achieved, a detailed inventory and registering of these values is needed. In this paper, the most important values are included: analysis of tourism facilities and analysis of the tourism trade.

Analysis of tourism facilities

Registering the tourist facilities mainly covers the hospitality sector, through the prism of determining the volume, dynamics and structure of accommodation facilities on the one hand, and catering facilities, on the other. In this sense, the ethnographic moment is very important, so the emphasis should be placed on traditional restaurants and dishes in the catering sector.

The analysis of active business entities in the hotel and restaurant sectors covers the situation in the Municipality of Cair, the City of Skopje and the Republic of Macedonia. These parameters show how many business entities are registered in this sector. They are presented in Table 1.

Table 1: *Active business entities*

Tourism destination	Hotels and restaurants	Percentage
Macedonia	3,938	100%
Skopje	1,186	8.7%
Cair	103	2.6%

Source: *State Statistical Office of the Republic of Macedonia, Active business entities by sector of activity, Makstat database 2009, <http://makstat.stat.gov.mk/>, (November 2018)*

The table shows that the number of registered business entities in the hotel and restaurant sector in the Municipality of Cair is 103. This represents a share of 8.7% (Skopje) and 2.6% (Cair) in the total number of the country (State Statistical Office, 2009). This relatively modest share provides opportunity for improvement of the present situation. The measures and activities of the research should contribute to improving entrepreneurship in this sector. This implies that business entities that have registered their activity will be able to actively engage in it.

The analysis of catering facilities (that serve food and beverages) covers the scope and participation of these facilities, the seats and their surface areas of the Municipality of Cair, of Skopje and of the country. These data are presented in Table 2.

Table 2: *Catering facilities*

	Total MKD	Skopje	Cair
Number of facilities	4,383	1,116	142
Percentage	100%	25.46 %	3.24 %
Number of seats	192,461	51,454	4,219
Percentage	100%	23.22%	1.9%
Surface area	339,289 m²	103,765 m²	9,089 m²
Percentage	100%	21.96 %	1.92%

Source: *State Statistical Office of the Republic of Macedonia, Inventory of catering facilities in the Republic of Macedonia – 2016*, <http://www.stat.gov.mk/Publikacii/8.4.17.05.pdf>, (November 2018)

It can be concluded that in the Municipality of Cair, the number of catering facilities is 142, which represents the share of only 3.24%, in the total number of 4,383 in the country. Skopje shows the share of 25.46%, which is also relatively low, given the fact that Skopje is the capital city (State Statistical Office, 2016). If the number of facilities is compared to the number of registered business entities, it can be concluded that the business entities have at least one facility included in the catering sector. Registering is the basis for an active relation towards increasing the number of catering facilities. The number of seats shows an even greater disproportion. Only 4,219 seats or 1.9% of the total number (192,461) in the country have been registered in the Municipality (State Statistical Office, 2016). This suggests that in the following period an increase in the number of seats should be expected. The analysis of the total surface area of the facilities coincides with the number of seats. This value is 9,089 m² in the Municipality, which is also a very low share of only 1.9% (State Statistical Office, 2016). This means that the area for urban catering equipment needs to be expanded, which will increase the number of seats. This will also contribute to the increase of the areas and the number of seats in Cair and Skopje as a whole.

The analysis of the accommodation facilities refers to the volume of facilities, rooms, beds, surface area and the participation of the Municipality of Cair and Skopje in the total number. These data are presented in Table 3.

Table 3: *Accommodation facilities*

	Total MKD	Skopje	Cair
Number of facilities	574	120	13
Percentage	100%	20.91%	2.26%
Number of rooms	17,235	3,586	264
Percentage	100%	20.81%	1.53%
Number of beds	46,289	9,615	505
Percentage	100%	20.77%	1.09%
Surface area	908,345 m²	145,881 m²	7,320 m²
Percentage	100%	16.06%	0.81%

Source: *State Statistical Office of the Republic of Macedonia, Inventory of catering facilities in the Republic of Macedonia – 2016*, <http://www.stat.gov.mk/Publikacii/8.4.17.05.pdf>, (November 2018)

The parameters in Table 3 show that the accommodation facilities in terms of volume and structure are also very modest. The number of accommodation facilities is symbolic and is only 13. This represents the share of only 2.26% in the total number of facilities in country that is 574 (State Statistical Office, 2016). The number of registered rooms in the Municipality of Cair is 264. In terms of share of these values, the situation is even worse. The percentage share is only 1.53%. These data about the conditions coincides with the number of beds and with the surface area for this type of facilities. The number of rooms is only 505 or the share of 1.53%, while the surface area of the facilities is 7.320m², which is the share of 0.81% (State Statistical Office, 2016). Based on these indicators it can be concluded that there is a pronounced possibility for improving the situation and changing these symbolic values. These findings point to the existence of very modest developmental conditions, so there are real expectations for improving this negative situation. However, it is necessary to undertake activities for expanding the current facilities and establishing new ones, not only in the hotel sector, but also in domestic accommodation.

The analysis of *traditional dishes* in the Municipality of Cair is a part of the evaluation of the current ethnographic catering offer of the tourism sector in the Municipality of Cair. Most of them are located in the Old Skopje Bazaar, so that besides the other ethnographic values of the bazaar, they provide a specific quality that can be defined as an opportunity to unite with the traditional roots of this specific culture (Kocevski & Risteski, 2018). The main dishes and desserts as well as the forms of prepared specialties are the following: Simit-Pogacha, Comlek,

Sarma, Turli-Tava, Stuffed peppers, Stuffed tomatoes, Baked meat dishes, Sweet-Tufeklija, Pear-Tufeklija, Apple-Tufeklija, Pitulici, Sheker-Pare, Gjomleze, Doner, Baklava, Pivtija, Komat, Vitkanica, Bakrdan, Topenica. These specialties/dishes can be a very attractive component in the catering offer. Their current inclusion into the restaurants' menus is very low.

Analysis of tourism trade

Tourist visits and stay determine the level of tourists' interest in the attractiveness and the reception base in the Municipality of Cair. These parameters apply to both domestic and foreign tourists. In order to determine the tendencies in this domain, included are values from the period between 2011 and 2017 (2017 being the last analyzed year). The period for analysis is the period in which the records are kept for different municipalities by the State Statistical Office. This speaks about the relevance of the data, because the whole period is covered. These data are presented in Table 4.

Table 4: *Volume and dynamics of tourist visits (index base 2011)*

	2011	2012	2013	2014	2015	2016	2017
Domestic	640	1,145	1,189	1,364	2,417	2,692	2,781
Index	100	179	186	213	378	421	435
Foreign	5,730	9,179	12,814	12,828	29,809	33,395	38,333
Index	100	160	224	224	520	583	669
Total	6,370	10,324	14,003	14,192	32,226	36,087	41,114

Source: *State Statistical Office of the Republic of Macedonia, Makstat database 2018, <http://makstat.stat.gov.mk/>, (November 2018)*

The table shows that the total number of tourists, both domestic and foreign, is constantly increasing. In the first analyzed year, there were 6,370 visits, while in the last analyzed year 41,114 tourist visit were recorded (State Statistical Office, 2018). The constant growth recorded in all analyzed years shows stable continuity. This is more evident if we analyze the indexes. Namely, the table shows that the increase index for domestic tourists has intensive dynamics. The increase in the number of visits in 2017 moves within the index of 435, which means that the number of domestic visitors has risen 4 times (State Statistical Office, 2018). This is an indicator with optimistic characteristics because such a dynamics shows positive tendency to increase tourist visits in the future. Particularly optimistic should be the projection of the development of

foreign visits. The growth index is constant, while the dynamics is more intense. In 2017, the increase of visits of foreign visitors registered an index of 669. This means that this number increased 6.7 times (State Statistical Office, 2018). Given that foreign visits have a greater contribution to economic effects, this trend will lead to a more intensive development of tourism (Sekulovska et al., 2018). It is evident that there is a steady increase in both domestic and foreign visitors. However, the increase in foreign visitors is clearly more dynamic. Tourists' overnight stay is an indicator that shows the extent to which tourists are staying in the Municipality during their visit. This applies both to domestic and foreign tourists. They are given in Table 5 below.

Table 5: *Realized overnight stays of tourists (index base 2011)*

	2011	2012	2013	2014	2015	2016	2017
Domestic	1,123	2,012	1,640	1,902	3,201	3,684	3,834
Index	100	179	146	169	285	328	341
Foreign	10,432	14,178	20,156	20,546	46,828	56,434	64,322
Index	100	136	193	197	449	541	617
Total	11,555	16,190	21,796	22,448	50,029	60,118	68,156

Source: *State Statistical Office of the Republic of Macedonia, Makstat database 2018, <http://makstat.stat.gov.mk/>, (November 2018)*

Table 5 shows that the number of realized overnight stays of domestic tourists in the analyzed period notably increased. In 2017, this number reached 3,834 overnights. The number of overnight stays of foreign tourists was 64,322 (State Statistical Office, 2018). This suggests that foreign tourists performances prevail with an impressive difference compared to domestic ones. This stems from the nature of the development of tourism in an urban environment in which the stay is short and very few people from the country stay in such tourist destinations. Namely, domestic tourists and visitors relatively quickly return to their places of living. However, for the development of tourism, the length of the tourist stay is very important because the foreign exchange income in tourism and the tourist consumption are based on it. Tourism development is closely related to the change of overnight stays in the analyzed period. It applies both to domestic and foreign tourists. The analysis on the change of the realized overnight stays of domestic tourists shows discontinuity only for the first 3 years of the analyzed period. In the following period, there was a constant increase, so that in 2017 the index reached 341 in relation to the base year of 2011 (State Statistical Office, 2018). During the stay of foreign tourists, this change is

continuous. It occurs during all analyzed years. In the last analyzed year (2017), it reached an index of increase of 617. These changes are related to the realized tourist visits. The number of overnight stays of foreign tourists has increased for more than 6 times (State Statistical Office, 2018). This is a very positive achievement, which allows us to conclude that in the next five-year period we can expect further positive results. The realized tourist revenues are an indicator, not only for the level of tourism development but also for the total economic development of the Municipality of Cair. The analysis of the realized revenues of domestic tourists shows their movements from other areas towards this destination. However, the most relevant indicator is the tourist spending realized by foreign tourists because it increases the income of foreign currencies and even leads to an increase of the gross domestic product. The volume of tourist revenues as spending of tourists is presented in Table 6.

Table 6: *Tourist spending (index base 2011)*

	Domestic	Index	Foreign	Index	Total
2011	89,840	100	834,560	100	924,400
2012	160,960	179	113,424	136	1,295,200
2013	131,200	146	1,612,480	193	1,743,680
2014	152,160	169	1,643,680	197	1,795,840
2015	256,080	285	3,746,240	449	4,002,320
2016	294,720	328	4,514,720	541	4,809,440
2017	306,720	341	5,145,760	617	5,452,480

Source: *State Statistical Office of the Republic of Macedonia, Makstat database 2018, <http://makstat.stat.gov.mk/>, (November 2018)*

From the table, it can be noticed that the revenues realized based on foreign tourists' stay are significantly higher than the performances of domestic tourists. In the last analyzed year, foreign, i.e. domestic tourists contributed to the income with \$ 5,145,760, i.e. \$ 306,720 USD, respectively. This means that the business community and other service providers generated total revenues of \$ 5,452,480 (State Statistical Office, 2018). If we compare these performances with those of the first analyzed year, we will see that there was a noticeable increase. The index of increase is present, both in domestic as well as foreign tourists. This trend of increasing tourist spending reached the highest levels in 2017 when domestic tourist spending increased by 3.4 times, while foreign tourist spending rose by 6.2 times, compared to the base year of 2011 (State Statistical Office, 2018). This indicates further positive effects that can be expected in the next five-year period.

Field research

The conducted field research refers to registering the characteristics of the potentials for tourism development in the Municipality. This research has primary character and contains opinions and views about the characteristics of the Municipality of Cair regarding the possibilities for tourism advancement (Marinoski et al., 2018). The results of the conducted research show that the Municipality's stakeholders and experts assume that there is room for improvement of the expected visits of tourists from the neighboring regions of the country and abroad. Furthermore, their main opinion is that the exchange of tourists with the neighboring regions of the country and the countries of the region should be encouraged. The absence of formalities and barriers in the visit in the Municipality was assessed as a positive circumstance, which means that the Municipality has a positive attitude towards the arrival and stay of tourists. Accordingly, the spatial location of the Municipality positively reflects on its tourism development. Regarding the events, from the conducted interview it could be concluded that the religious events were assessed as best potentials because they are related to the history of the tourists' countries of origin (Turkey, Albania and Kosovo). Cultural events can be improved, while entertainment and sporting events were assessed as having lower significance. It is therefore necessary that they be included in the tourist offer in order to increase its content (Risteski & Risteski, 2016). As far as the assessment of ethnographic heritage is concerned, the highest grades were given for traditional crafts and folklore. The activity of cultural and artistic associations should also be improved because currently there are very few of them. These associations can contribute to the improvement of the organization of tourism (Marinoski et al., 2012). Tourists believe that the number of registered households and companies in the municipality for providing tourist services is very low, which implies their improvement. The local self-government is assessed as a relatively good organizational structure in terms of the adoption of documents that encourage cooperation in the field of tourism, although in this area there is the possibility for a more intensive approach towards development (Marinoski et al., 2018). Green and recreational areas have relatively modest characteristics, although the Municipality with the help of available resources is still struggling to advance. Safety in the Municipality was assessed as relatively good, although there is the opinion that it can contribute to the promotion of mutual understanding in the relations between tourists and local communities. The adopted planning documents for safety are on a high

level. A similar assessment was provided for the general and detailed urban plans for land use as well as for the tourist infrastructure. The stakeholders and experts think that the promotion of tourism can be improved by more organizational links of the Agency for Promotion and Support of Tourism (Marinoski et al., 2018). The reception facilities were assessed as insufficient in volume. As for their quality, they should be improved. The assessment of the acceptability of tourists among the population is not on the highest level, thus opening the opportunity for undertakings in this sense. Furthermore, room for improvement was also registered in the field of information infrastructure. For managing the potentials, the stakeholders assessed it to be relatively good, but left space for improvement in the domain of audio-visual technical equipment of attractions and their infrastructure. The harmonization between supply and demand was assessed as a possibility for conducting further activities related to the acceptability of tourist products on the tourism market. Seasonality was assessed as a relatively well balanced, but there is also the possibility for advancements in the future. Human resources were assessed as hospitable, but in terms of employment, the stakeholders believed that an improvement in the approach should be made.

Proposed measures and conclusions

Activities and measures based on the potential for tourism development in the Municipality arise from the existence and level of utilizing tourist attractions and the receptive complex, which determine the development of tourism. They primarily derive from the defined development goals and expected results. Based on the general goal, more detailed operational goals are defined which express the specificity of the process. They include concrete measures and activities. A total of five operational goals have been defined in the strategic planning for the Municipality (Marinoski et al., 2018): improvement of the transport infrastructure, communal equipping, landscaping and attractiveness; improvement of receptive resources in quantitative and qualitative sense; successful performance on the tourism market; creating a tourist offer in terms of further "spreading of seasonality"; strengthening the organizational structures.

Within the operative goal of *improving the transport infrastructure, communal equipping, landscaping and attractiveness*, the following measures are defined: introducing a functional transport system in the service of tourism, creating an image of a clean destination, landscaping

of space, equipping and presenting the attractions and improving the offer by organizing events. The measure *introducing a functional transport system in the service of tourism* includes the following specific actions: preparing a study on transport regulation, signage and digitization of tourist paths and locations, creating paths and spaces in front of tourist attractions, improvement of IT connections, feasibility study for the construction of multi-storey garage and parking lots, preparing a plan for introducing electric amusement trains for viewing and visiting tourist attractions and receptive facilities. This measure should be implemented in a period of 16 months, while the action for improving IT connections has a continuous character. The measure *creating an image of a clean destination* envisions the following actions: Installing suitable waste bins with tourist applications, placing boards with messages for preserving hygiene and the environment, as well as producing and printing leaflets for linking hygiene to tourism. This measure should be implemented for a total of 5 months. The measure *landscaping of space* will include the following actions: adoption of a landscaping plan, construction of paths and spaces in front of the tourist values, enriching spaces with fountains and contents of indigenous materials and horticultural arranging. These actions are foreseen to be realized in a period of 20 months. The measure *equipping and presenting the attractions* will include the following activities: preparation and adoption of a study on the equipping and presenting attractions within the authority of the Municipality, signage and digitization of cultural and natural heritage as well as an auditory - visual equipment of attractions, which should be realized in a period of 7 months. The measure *improving the offer by organizing events* will include these actions: organizing cultural-artistic events, organizing entertainment events and organizing sports events. They should be realized in a total of 3 months.

The operational goal *improvement of receptive resources in quantitative and qualitative sense* will encompass the following measures: attracting investments for increasing the volume and improving the structure of hospitality facilities, improving the quality of services, improving the human resources capacities and employment, as well as inclusion of locals in tourism activities. Within the measure *attracting investments for increasing the volume and improving the structure of hospitality facilities*, the following actions are envisaged: preparation and adoption of a detailed urban plan with location conditions, preparation and adoption of a manual on procedures, conditions, benefits and opportunities for investment activities in the area of hospitality facilities and domestic

accommodation, as well as preparation of promotional materials for investment opportunities in tourism of the Municipality. These activities should be implemented within a period of 18 months. The measure *improving the quality of services* will include the following actions: Preparation and adoption of a brochure for standardization and quality of hospitality facilities in the EU, awarding the best exterior of hospitality facilities (harmonized architecture) and awarding for the best services provided, according to established criteria. These actions should be realized in a total of 6 months. The measure *improving the human resources capacities and employment* will include the following actions: Creating promotional materials on the possibilities and benefits for employment in the field of tourism and hospitality, organizing training sessions for improving human resources, sending current employees of the Municipality institutions to different seminars, training sessions, activities and expert/scientific gatherings, as well as organizing competitions in the field of tourism and hospitality that should be realized for a total of 8 months. Within the measure of *inclusion of locals in tourism activities*, the following actions should be undertaken: organizing a campaign for the importance of tourism and the benefits from it, as well as organizing workshops for encouraging the entrepreneurial spirit and starting a tourism business that should be realized in 3 months, while the activity establishing and maintaining a database of home owners as service providers will be a continuous activity.

The operational goal *successful performance on the tourism market* will be realized through the following two measures: Encouraging an integrated tourist offer and diverse promotional activities. The measure *encouraging an integrated tourist offer* should be realized through the following activities: Supporting the attendance at fairs and events and presenting the tourist opportunities of the Municipality to other municipalities for a total of 8 months, while the activity of designing, networking and maintaining a database for service providers and other stakeholders will be a continuous activity. The measure that relates to *promotional activities* will include the following actions: creating printed promotional material, promotion of tourism through mass media and awarding a prize for the adoption of best logo and slogan related to tourism in the Municipality in order to create a recognizable tourist brand that should be realized in 7 months.

The operational goal *creating a tourist offer in terms of further "spreading of seasonality"* will include the following measures: creating

new tourist products and economic sustainability of tourism in the off-season. The measure *creating new tourist products* will be realized through the following detailed activities: preparing a catalog of new tourist products in the Municipality, organizing gatherings of experts, i.e. debates and lectures on the significance of the offer of congresses, wellness, and alternative types of tourism in different conditions as well as presenting combined tourism products. These activities are planned to be fulfilled in 15 months. Within the measure of *economic sustainability of tourism in the off-season*, the following activities should be undertaken: Organizing an event for promotion of energy efficiency in hospitality and environmental standards, organizing gatherings for pricing in the area of tourism in the Municipality, as well as organizing incentive tours for journalists and tour operators in the off-season period, which should be realized in 2 months.

The operational goal *strengthening the organizational structures* should be realized through the implementation of the following measures: Strengthening the institutional structure, capacity building for implementing tourist policies, strengthening the capacities for cooperation at international level and strengthening the inspection agencies. The measure *strengthening the institutional structure* will include the following actions: conducting trainings in the sense of improving organizational capacities and standards in providing services and creating policies and participation of employees in the sector for local economic development at assemblies, workshops and trainings outside the Municipality that will need to be completed within 4 months, while the action creation and maintenance of an information network will be a continuous activity. The measure *capacity building for implementing tourist policies* will include the activities of: Preparation of a publication containing contents of the legal, by-law and statutory regulation that is applied in the tourism sector, adoption of laws related to the economy, property relations and state regulation, organizing thematic events for subsidizing and supporting tourism and organizing thematic events on tax policy in tourism. These activities should be realized in 4 months. The measure *strengthening the capacities for cooperation at international level* will be realized through the following actions: Organizing lectures on the use of donations by donors, organizing workshops for using grants and favorable credits as well as organizing workshops for applying to projects. These actions are planned to be completed in a period of 5 months. The measure *strengthening the inspection agencies* will encompass the following activities: Technical improvement of inspection

agencies and preparation of a guidebook on the harmonization between the various inspection agencies on a vertical and horizontal basis that should be realized in a period of 14 months, while the activity increasing the number of inspectors (two inspectors) is envisaged to be concluded in 60 months. The main bearer of the above mentioned measures and actions will be the local self-government of the Municipality of Cair. This process will include participants of governmental and non-governmental bodies and organizations, the business sector, scientific and professional institutions as well as different cultural, entertainment and sports institutions.

It can be concluded that the Municipality of Cair possesses very favorable conditions for developing urban tourism services, products and activities. All the resources are available but they are not being used in a proper way. In order to attract foreign tourists to this Municipality, different stakeholders that exist in the Municipality must come together and cooperate between each other. Only then will the Municipality be a competitive tourist destination, which will have many economic, social and cultural benefits for the local population.

References

1. Kocovski, J., Risteski, M. (2018). The Complex Role of Food in Tourism, *HORIZONS – International Scientific Journal*, Vol. 23, 305-312.
2. Korunovski, S., Marinoski, N., Risteski, M. (2013). Plan for local inclusive development in tourism: Case study of the Municipality of Konce, Republic of Macedonia. *HORIZONS – International Scientific Journal*, Vol. 13, 69-77.
3. Marinoski, N., Nestoroska, I., Andreeski, C., Risteski, M., Naumov, K. (2017). Register of Potentials for Rural Tourism Development of the Skopje Planning Region. *Project of UNDP and the Ministry of Local Self – Government of the Republic of Macedonia*, Global Project Consulting, Skopje.
4. Marinoski, N., Korunovski, S., Risteski, M., Georgieska, M. (2018). Strategy for Tourism Development of the Municipality of Cair for the period 2019-2024. *Project of the Municipality of Cair*, Faculty of Tourism and Hospitality – Ohrid.

5. Marinoski, N., Korunovski, S., Risteski, M. (2012). Events in the Republic of Macedonia as a Cultural Content for Cooperation Between the Balkan Nations. *CULTURAL ROAD VIA PONTICA – Cultural tourism without boundaries*, Sea Resort Duni and Istanbul, 196-199.
6. Naumov, K., Risteski, M. (2010). Organization and Distribution of Skopje's Tourism Product. *20th Biennial International Congress - Tourism and Hospitality Industry 2010: New Trend in Tourism and Hospitality Management*, Opatija, 1537-1547.
7. Risteski, M., Kocevski, J., Arnaudov, K. (2011). Spatial Planning and Sustainable Tourism as a Basis for Developing Competitive Tourist Destinations. *PROCEDIA – Social and Behavioral Sciences*, Vol. 44, 375-386.
8. Risteski, M., Risteski, N. (2016). Determining Quality of Tourism Events. *Journal for Theory and Practice of Hotel Industry "Hotel Link"*, 1-9.
9. Sekulovska, M., Marinoski, N., Nestoroska, I., Risteski, M. (2018). Macedonia. *Hospitality and Tourism in Transition in Central and Eastern Europe: A Comparative Analysis* – Vodenska M. (Ed.), 1st Edition, 261-295, Cambridge Scholars Publishing, UK.
10. State Statistical Office of the Republic of Macedonia, *Active business entities by sector of activity*, Makstat database 2009, <http://makstat.stat.gov.mk/>, (November 2018).
11. State Statistical Office of the Republic of Macedonia, *Inventory of catering facilities in the Republic of Macedonia – 2016*, <http://www.stat.gov.mk/Publikacii/8.4.17.05.pdf>, (November 2018).
12. State Statistical Office of the Republic of Macedonia, *Makstat database 2018*, <http://makstat.stat.gov.mk/>, (November 2018).

IMPACT OF TOURISM ON THE QUALITY OF THE ENVIRONMENT IN THE FIELD OF PROTECTED AREAS

Milan Počuča¹; Jelena Matijašević-Obradović²;

Abstract

The protected natural areas are assets of great importance for the development of tourism. Bearing in mind the fact that tourism, in addition to positive impacts, in many ways also exerts a negative influence on the environment, especially in the field of natural resources and biodiversity, it is interesting to consider the influence of tourism on the protected natural areas and the reason why the monitoring of protected areas in Serbia is necessary. The aforesaid is particularly important as the sustainable management of the protected natural areas is an important condition of continuous development of tourist turnover. The research section of the paper deals with the number of individual protected natural assets in Serbia in the period from 2015 to 2017 and touches upon the ecologically significant areas. The paper applies an analytical method, a deductive method and the basic quantitative analysis of data. The research in this paper was based on the official data of the Statistical Office of the Republic of Serbia and the Environmental Protection Agency.

Key Words: *tourism, environment, protected natural areas, Republic of Serbia*

JEL Classification: *F64, O13, Q56, Z32*

Introduction

Tourism is an activity which in modern society has a significant impact on the economic, social, functional and manifest structural characteristics of a specific area (Todorović & Bjeljic, 2007, p. 135). It is a fact that

¹ Milan Počuča, PhD, Full professor, Faculty of Law for Commerce and Judiciary in Novi Sad, Geri Karolja Street no. 1, Novi Sad 21000, The Republic of Serbia, E-mail: pocucabmilan@gmail.com

² Jelena Matijašević-Obradović, PhD, Associate professor, Faculty of Law for Commerce and Judiciary in Novi Sad, Geri Karolja Street no. 1, Novi Sad 21000, The Republic of Serbia, E-mail: jela_sup@yahoo.com

tourism has gradually grown from an optional pursuit into an inescapable and extremely important need of the modern man. As a result, we could say that tourism is one of the most complex economic and social phenomena of the modern world.

The development of tourism has been stimulated by the globalisation process. Owing to globalisation and its effects, tourism has been undergoing a powerful expansion. According to Arnaut (2009), the globalisation process has resulted in tourism taking on new dimensions on a global scale. On the other hand, the consequences of the effect of globalisation in the field of tourism development are numerous, including among other things multiple effects, both positive and negative, on the environment.

In the context of emphasising the importance of tourism in the introduction, it should be noted that tourism is a branch of industry with a significant share in the world economy. As stated by Stanić and Vujić (2016), "tourism covers 30% of the global export of services, and 6% of the total export of goods and services, and as an export category, on the global scale it ranks just below oil, chemical and food industries" (p. 14). With a view to properly valorising the effect of tourism on a global scale, Bote Gomez (1993) points out that the income from tourism has played a key role in financing industrialisation in many countries. In other words, tourism has enabled the import of machines and technology which were required to stimulate the economy of many countries (Padilla, 1988).

The World Tourism Organization has established, on the basis of detailed analysis, that tourism on a broader scale, and the needs and expectations of users of tourism offers "have been focusing less and less on "tourism under the Sun", with the growing interest in unspoilt nature, and a greater preference for natural resources and the cultural heritage of the countryside, areas outside urban environments" (Muhi, 2010, p. 476). Primarily owing to the conserved nature and other aspects of a healthy environment, Serbia has significant assets and multiple options for continuous tourism development, in particular in the field of rural tourism. Namely, as stated by Cvijanović et al. (2017), the considerable potential for the development of tourism in Serbia is especially associated with rural areas (p. 872). The fact that tourism has a significant impact on the development of rural areas is also emphasised by Ćirić et al. (2014, p. 26).

In view of the aforesaid, the positive effects of tourism are multiple, not only on the local, but on the global level as well. Namely, in its primary concept tourism has included the four important aspects of sustainable development: the ecological, social, cultural and economic (Počuča et al., 2017). With regard to the ecological aspect, we can certainly identify some global trends such as the demand for ecological resources, a higher social, as well as individual ecological awareness, more successful and better organised international cooperation in the field of environment protection.

Besides the positive, there are also some highly noticeable negative effects of tourism on the environment, which are primarily manifested in the form of pollution of environment elements (the air, water, land), a reduction in the natural agricultural areas, the destruction of the flora and fauna, a degradation of culture-historical monuments, crowding, a spatial population redistribution, as well as a banalization of the area (Lazarević, 2017, p. 138-139).

Given the fact that tourism has an indisputable effect on the economic valorisation of resources, employment, the living standards in a particular area, as well as demographic and social effects, in addition to the relevant theoretical considerations, the subject of the paper also includes a quantitative analysis of the official statistical data regarding the kinds and numbers of the protected natural resources in the Serbian territory, as well as an observation of all the ecologically significant areas in Serbia. We have applied the analytical method in theoretical content analysis, the deductive method in drawing conclusions, and a basic quantitative data analysis in the part concerning research. The research has been based on the official data of the Statistical Office of the Republic of Serbia and the Environmental Protection Agency. The analysis of the kinds and numbers of protected natural areas in the Serbia territory has been performed for the period 2015-2017.

Literature review

Tourism is primarily a planned and motivated behaviour of users of tourism services, with the expectations of the traveller playing a key role in travel decision-making. It is therefore emphasised that the needs, attitudes and motives of tourists are of crucial importance in this context (Wall & Mathison, 2006, p. 45). In analysing tourism, Jovičić (2000) states that tourism is an activity which valorises some spatial elements

which are marginal to many other industries (p. 17). Jovičić (1999) also defines tourism as a "set of relationships and phenomena related to movement and consumption outside the place of permanent residence, with the aim of satisfying recreational and cultural needs" (p. 17). Similarly, Vidučić (2007) states that tourism is a set of relationships and phenomena which result from travels and stays of visitors in a particular place, if these stays are not intended to set up permanent residence and if they are not associated with any commercial activity on their part.

Looking at tourism from an individual standpoint, Tomka (2012) indicates that "tourism is no longer travel for this and that, but a whole series of phenomena, relationships, effects which result from a meeting of receptive spaces, phenomena and processes in them, as well as the life of the local population and temporary visitors – tourists, under the influence of a large number of different needs, motives and expectations, with the aim of acquiring new experiences" (p. 16). In defining tourism, some theorists quote its multiple positive effects in different areas. As stated in the introduction, tourism has an unquestionable effect on the overall economic development of society. Tourism plays a key role in local economic development (Rogerson & Rogerson, 2014; Karampela et al., 2016, p. 161). Primarily, tourism can be treated as an industry branch which promotes both economic growth and equality, including the application of local inputs – the local resources, as well as the engagement of the local manpower (Mansury & Hara, 2007, p. 213). In less developed regions, local communities can derive significant economic-social benefits from tourism (Zhenhua, 2003, pp. 465-466).

It follows from the aforesaid that tourism is not only recognised as an effect of economic development, but also as an economic development factor (Stanić & Vujić, 2016, p. 14). As such, tourism has a considerable impact on the economic, social, cultural and natural environment. Due to this effect in particular, it has a duty to establish sustainable and responsible development, with the ultimate goal of preserving the vital values of an area. In this context in particular, we arrive at the concepts of sustainable development of tourism and ecotourism as a specific form of alternative tourism, as, according to Milićević et al. (2013), "contemporary tourism implies that each of the activities within this complex system must be aimed at safeguarding one's own interests through a controlled use of natural resources" (p. 24).

According to Stefanović and Azemović (2012), "the sustainable development concept implies a balanced economic, social and cultural development without threats to the environment, whereby future generations would be enabled to develop at the same, or a higher level" (p. 43). In this regard Beljanski (2018) indicates that the main goal of sustainable tourism is to enable the tourists to "enjoy and acquire knowledge on the natural, historical and cultural characteristics of the environment, along with preserving the integrity of the place and promoting the economic development and welfare of the local community" (p. 38). Sustainable tourism development includes as a significant part the development of a new tourism form – ecotourism, intended to protect and conserve plant and animal species (Beljanski, 2018, p. 38).

Ecotourism is one of special forms of alternative tourism, and it can be defined as a form of tourism primarily inspired by the natural history of a region, including the hosts' culture (Ziffer, 1989). Honey (2008) points out that ecotourism is "travel into sensitive, ancient and usually protected areas, which aims to affect the areas as little as possible, and which is usually smaller in scope" (p. 33). This helps in educating the visitors, provides safety measures, directly contributes to the economic development and political empowerment of the local communities, and fosters appreciation of different cultures and human rights. Unlike classic tourism destinations, Jegdić (2010) points out that "ecodestinations are most often protected natural resources or areas with preserved natural characteristics and a rich biodiversity, but may also include relatively altered rural, and some urban areas as well" (p. 65). On the other hand, Ćurić (2010) states that ecotourism, as opposed to other tourism types, "directly contributes to conservation of nature" (p. 98).

Finally, we could say that ecotourism is "environmentally responsible travelling and the visiting of relatively unspoilt natural areas, in order to enjoy nature and to appreciate it, which promotes conservation, exerts low visitor influence and enables beneficial active socio-economic involvement of the local population" (Beljanski, 2018, p. 38).

Bearing in mind that besides the positive, tourism also reflects a number of negative effects on the environment, in particular in the field of natural resources and biodiversity, it would be interesting to examine the influence of tourism on protected natural areas, and analyse the need for monitoring of protected areas in Serbia. The aforesaid is of particular

importance as sustainable management of protected natural areas is a significant factor of continuous development of tourism turnover.

Methodology and data sources used

The subject of analysis is the representation of individual protected natural areas in Serbia, in the period 2015-2017. Besides the aforesaid investigation, we have focused on ecologically important areas in the Republic of Serbia in 2017. Parallel to the analysis of the representation of individual protected natural areas in Serbia for each particular year, we will examine the total areas of protected natural resources for each year, and the effect of the total tourism turnover for the observed period on the protection and conservation of the environment and protected natural areas, with conclusions on the need for introducing protected area monitoring in the tourist activity segment.

In this research, we have applied the analytical method in theoretical analysis of the content, the deductive method in drawing conclusions, and a basic quantitative data analysis in the segment involving research. The research is based on the official data of the Statistical Office of the Republic of Serbia, and the Environmental Protection Agency.

Research results and discussion

Article 3 of the Environmental Protection Law ("Official Gazette of the Republic of Serbia", Nos. 135/2004,... 95/2018 – other law) defines some key concepts relevant to the subject of research of this paper. Thus, the living environment is a set of natural and manmade values the complex interrelations of which make up the environment, i.e. the space and conditions for living, while a protected natural resource is a conserved part of nature, characterised by distinctive values and properties (geodiversity, biodiversity, areas, landscapes, etc.), of lasting ecological, scientific, cultural, educational, health-recreational, tourism and other kinds of significance, owing to which it has special protection as a resource of general interest.

The following tables present the quantitative indicators of the representation of protected areas and protected species as the basic elements of protected natural resources, for the period 2015-2017, followed by the percentage shares of protected areas and protected species in the total number of protected natural areas, for the same period,

as well as an overview of the ecologically significant areas of the Republic of Serbia in 2017.

Table 1: *The quantitative indicators of the representation of protected natural resources, for the period 2015-2017*

Protected natural sites	2015	2016	2017
<i>Protected areas</i>	467	464	463
National parks	5	5	5
Natural parks	17	16	18
Landscapes	20	20	20
Reserves	69	70	68
Natural monuments	313	311	310
Culture-historical areas	38	38	38
Protected habitats	3	4	4
<i>Protected species</i>	2613	2613	2613
Strictly protected wild species	1760	1783	1783
Protected wild species	853	860	860

Source: *Statistical Yearbook of the Republic of Serbia, 2018, p. 259; Statistical Yearbook of the Republic of Serbia, 2017, p. 293; Statistical Yearbook of the Republic of Serbia, 2016, p. 273.*

Table 2: *The percentage shares of the protected areas and the protected species in the total number of protected natural resources, for the period 2015-2017*

Protected natural sites	2015	2016	2017
<i>Protected areas</i>	467	464	463
National parks	1.07 %	1.08%	1.08%
Natural parks	3.64 %	3.45%	3.89%
Landscapes	4.28 %	4.31%	4.32%
Reserves	14.78 %	15.09%	14.69%
Natural monuments	67.02 %	67.03%	66.95%
Culture-historical areas	8.14 %	8.19%	8.21%
Protected habitats	0.64 %	0.86%	0.86%
<i>Protected species</i>	2613	2613	2613
Strictly protected wild species	67.36 %	68.24%	68.24%
Protected wild species	32.64 %	32.91%	32.91%

Source: *The authors' calculation*

We can conclude from the data shown in tables 1 and 2 that the most frequent in the group of protected areas are natural monuments, with the percentage shares of 67.02 % in 2015, 67.03 % in 2016, and 66.95 % in 2017 respectively, compared to the total number of protected areas in the Republic of Serbia. In addition, we can see that the least represented in

the group of protected areas are protected habitats (0.64 % in 2015, 0.86 % in 2016, and 0.86 % in 2017).

The representation of other protected areas, by years, expressed in percentages is as follows: National parks (1.07 % in 2015, 1.08 % in 2016 and 1.08 % in 2017), Natural parks (3.64 % in 2015, 3.45 % in 2016 and 3.89 % in 2017), Landscapes (4.28 % in 2015, 4.31 % in 2016 and 3.32 % in 2017), Reserves (14.78 % in 2015, 15.09 % in 2016, and 14.69 % in 2017) and Culture-Historical Areas (8.14 % in 2015, 8.19 % in 2016, and 8.21 % in 2017).

The representation of the other protected areas, by years, has the following percentage values: National Parks (1.07 % in 2015, 1.08 % in 2016, and 1.08 % in 2017), Natural Parks (3.64 % in 2015, 3.45 % in 2016, and 3.89 % in 2017), Landscapes (4.28 % in 2015, 4.31 % in 2016, and 3.32 % in 2017), Reserves (14.78 % in 2015, 15.09 % in 2016 and 14.69 % in 2017) and Culture-Historical Areas (8.14 % in 2015, 8.19 % in 2016, and 8.21 % in 2017).

Strictly Protected Wild Species are better represented in the protected species group (67.36 % in 2015 and 68.24 % in 2016 and 2017), compared to Protected Wild Species (32.64 % in 2015 and 32.91 % in 2016 and 2017).

Table 3: *Review of Important Sites for Ecological Network in the Republic of Serbia, for 2017*

National name					
1	Subotica lake and sand bank	35	Brdjanska klisura, canyon	69	Ozren-Jadovnik
2	Velike droplje pastures	36	Gruža reservoir	70	Pešter
3	Gornje Podunavlje	37	Ovčarsko-kablarska klisura, canyon	71	Gutavica
4	Salt marshes of the Western Bačka	38	Brzansko Moravište	72	Golija
5	Salt marsh areas around Doroslovo	39	Klisura Osaničke reke, canyon	73	Ras-Sopoćani
6	Krivaja river loess valleys	40	Mustafa	74	Rogozna
7	Bečej fish farm	41	Felješana	75	Kopaonik
8	Slano kopovo	42	Mali Krš	76	Čelije
9	Okanj and Rusanda	43	Stol-Veliki Krš	77	Prokop
10	Jegrička	44	Deli Jovan	78	Lalinac salt marsh

11	Titel hill	45	Bukovo	79	Kamenički vis
12	Carska bara	46	Kučajske mountains	80	Stara mountain
13	Karadjordjevo	47	Rtanj	81	Sićevačka klisura, canyon
14	Fruška gora and koviljski cape	48	Mala Jasenova glava	82	Suva mountain
15	Potamišje	49	Gornje Pomoravlje	83	Šljivovički vis
16	Vršac mountains and meadows	50	Ozren and Devica	84	Krupacko blato
17	Bosuts forests	51	Mojstinske mountains and Stalačka klisura, canyon	85	Jerma
18	Zasavica	52	Osredak	86	Zeleničje
19	Obedska bara (pond)	53	Kalenić	87	Kukavica
20	Deliblatska peščara	54	Vrh Željina-Pločka čuka	88	Vlasina
21	Donje Podrinje	55	Goč	89	Radan
22	Confluence of the Sava river into the Danube	56	Klisura Ibra	90	Aleksandrovac salt marsh
23	Košutnjak	57	Iznad Tatalije	91	Rujam
24	Avala	58	Tesne Jaruge	92	Pčinja
25	Kosmaj	59	Zelenika	93	Jarešnik
26	Šalinački lug	60	Klisura Đetinje, canyon	94	Rudina
27	Prugovo	61	Tara	95	Golemi vrh
28	Đerdap	62	Zlatibor	96	Grmija
29	Mala Vrbica	63	Park forest near Ribnica	97	Gazimestan
30	Kladovo-Radujevac	64	Mali Ržav river valley	98	Sitnica
31	Cer	65	Mučanj	99	Miruša
32	Danilova kosa	66	Uvac and Mileševka	100	Prokletije
33	Valjevske mountains	67	Paljevine	101	Šar planina
34	Veliki Šturac	68	Kamena gora	/	/

Source: *Statistical Yearbook of the Republic of Serbia, 2018, p. 261.*

We can conclude from the data in Table 3 that 101 ecologically significant areas in total were recorded in the Republic of Serbia in 2017, in line with the Ecological Network Regulation of the Republic of Serbia Government ("Official Gazette of the Republic of Serbia", No. 102/10).

The Report on the Condition of the Living Environment in the Republic of Serbia for 2017 of the Environmental Protection Agency states that during 2017 the area of the protected sites was increased by 84,000 ha, i.e. by 14.5% compared to 2016. In addition, 7.48% of the Republic of

Serbia territory is protected, amounting in total to 662,435 ha (The Report on the Condition of the Living Environment in the Republic of Serbia for 2017, 2018, p. 68).

It is also stated in the aforesaid report that 459 protected areas and resources are under government protection. During 2017 3 natural parks and one natural monument were put under protection (the "Bačkotopolske Doline Natural Park", covering an area of 522.5 ha, the "Radan Natural Park", covering an area of 41,312.7 ha, the "Zlatibor Natural Park" covering an area of 41,923.3 ha, and the Natural Monument "Two Yew Trees on the Grange near Novo Orahovo" (The Report on the Condition of the Living Environment in the Republic of Serbia for 2017, 2018, p. 68).

The Report on the Condition of the Living Environment in the Republic of Serbia for 2016 of the Environmental Protection Agency states that during 2016 the area of the protected natural resources amounted to 578,705 ha, which equals 6.54% of the Republic of Serbia territory. 463 protected areas and resources in 2016 were under government protection. During 2016 the natural monuments "The Park of the Sremska Kamenica Institute" and the "Copper Beach Tree in Omoljica" were protected, covering in total an area of about 35.8 ha, as well as the "Big Mud" habitat, covering an area of 273.7 ha (The Report on the Condition of the Living Environment in the Republic of Serbia for 2016, 2017, p. 63).

The Report on the Condition of the Living Environment in the Republic of Serbia for 2015 of the Environmental Protection Agency states that during 2015 the total area of protected natural resources amounted to 578,500 ha, which is approximately 6.5% of the Republic of Serbia territory. During 2015 special nature reserves, "Peštersko Polje" and "Suva Mountain" were protected, as well as the strict nature reserves, "Iznad Tatalije", "Zelenika", "Tesne jaruge", covering in total 31,239 ha, the landscapes of special characteristics "Karaš Nera" and "Tatkova zemunica", covering an area of 1,903 ha, the natural monuments "Stabla Čačka", "Topčiderski park", "Šumati šumar", "Lalinačka slatina", "Three Black Pine Trees-Dobroselica", "Byford's Forest", "The Wild Chestnut in Sremski Karlovci" of the total area of around 70 ha, as well as the "Tikvara" natural park of the area of 555 ha (The Report on the Condition of the Living Environment in the Republic of Serbia for 2015, 2016, p. 53).

Besides the data presented above, it is interesting to explore the impact of the total tourism turnover of the observed period (2015-2017) on the protection and conservation of the living environment and on protected natural areas.

Bearing in mind that one of the principal objectives of the Tourism Development Strategy of the Republic of Serbia until 2025 ("The Official Gazette of the Republic of Serbia", No. 98/2016) is sustainable ecological development, environment protection and conservation is a very important segment of sustainable tourism development, so that special attention is devoted to maintaining the quality of the living environment. According to the Indicator Overview of the Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2017, it is stated that in 2017 "there were 3.08 million arrivals in total, and 8.33 million tourist overnight stays, which constitutes a total tourism turnover rise of around 11% compared to the previous year. The monthly analysis of arrivals and overnight stays indicates that the highest turnover is in the summer months, which means that the highest pressure on biodiversity and water resources is exerted in this period. Given that the negative effects of tourism are reflected, primarily, on biodiversity and protected natural areas, protected area monitoring is introduced in the tourist activity segment" (The Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2017 – Indicator overview, 2018, p. 37).

According to the Indicator overview of the Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2016, it is stated that in 2016 "there were 2.75 million arrivals in total, and 7.54 million tourist overnight stays, which constitutes a total tourism turnover rise of around 13% compared to the previous year" (The Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2016 – Indicator overview, 2018, p. 38). Considering the impact of tourism on biodiversity and protected natural areas, we can draw the same conclusion on the need for introducing monitoring of the protected areas in the tourist activity segment.

According to the Indicator overview of the Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2015, it is stated that in 2015 "there were 2.44 million arrivals in total, which constitutes a tourism turnover rise of around 11.2% compared to the previous year". 6.65 million overnight stays were recorded, i.e. 9.3%

more compared to 2014” (The Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2015 – The Indicator overview, 2017, p.28). It is also stated in the Indicator overview that the potential negative effects of tourism on the environment "are expressed through pressure on natural resources, waste generation, as well as pollutant emissions". On the other hand, tourism has a priority interest in maintaining the environment quality at a high level, as environment hazards can consequently threaten the future development of this business activity", which leads to the same conclusion on the need for the existence of monitoring of the protected areas in the tourist activity segment.

Conclusion

Tourism is an activity which has a significant impact on numerous social aspects, both in terms of positive and negative effects. The effect of tourism on the environment is particularly worth considering, especially in the last few decades when tourism has seen prosperity on a global level. The positive influence of tourism in general is reflected in the scope of the four important aspects of sustainable development: environmental, social, cultural and economic. However, if we take a look at the relationship of tourism with the environment, besides the positive, we may notice multiple negative effects of tourism, which are primarily manifested in the form of pollution of environment elements, the destruction of the flora and fauna, the degradation of culture-historical monuments, a banalization of the area, etc.

Ecotourism is a specific form of tourism, which represents environmentally responsible travel, with the aim of simultaneously visiting and maintaining ecologically significant areas. Observing the relationship between ecotourism and protected natural resources, we may perceive a conspicuous interconnectedness. In view of the fact that besides the positive, tourism also reflects a number of negative effects on the environment, in particular with regard to natural resources and biodiversity, it has been interesting to examine the effect of tourism on protected natural areas, and why there is a need for monitoring protected areas in Serbia.

As individual authors point out, protected natural resources are very attractive to tourisms, with two clearly defined purposes: the protection of significant natural values and recreation.

The subject of analysis of this paper has been the representation of individual protected natural resources in Serbia, in the period 2015-2017. In addition, we have taken a look at the ecologically significant areas of the Republic of Serbia in 2017. Parallel to the analysis of representation of individual protected natural resources in Serbia for each year, we have reviewed the total areas of protected natural resources, and the impact of the total tourism turnover of the observed period on the protection and conservation of the environment and protected natural areas, drawing conclusions on the need for introducing the monitoring of protected areas in the tourist activity segment.

In summing up the relevant data presented in the tables, we can conclude that the best represented in the group of protected areas are natural monuments, while protected habitats have the lowest representation. We can also conclude that 101 ecologically significant areas were recorded in the Republic of Serbia in 2017.

The conclusion which certainly stands out in the Indicator overview of the Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2016 and 2017 is that, bearing in mind that the negative effects of tourism are reflected, first of all, in biodiversity and protected natural areas, it is essential to introduce the monitoring of protected areas in the tourism activity segment.

References

1. Arnaut, E. (2009). Globalizacijski procesi u turizmu i utjecaj megatrendova na konkurentnost turističke industrije BIH [= *Globalization Processes in Tourism and the Effect of Megatrends on the Competitiveness of the BIH Tourism Industry*]. *Tranzicija*, Vol. 11, No. 23–24, 29–41.
2. Beljanski, N. (2018). Ekološka odgovornost turizma [= *The Ecological Responsibility of Tourism*]. *TIMS Acta*, No. 12, 37-45.
3. Bote Gómez, V. (1993). La necesaria revalorización de la actividad turística española en una economía terciarizada e integrada en la CEE. *Revista Estudios Turísticos*, No. 118, 5-26.
4. Cvijanović, D., Matijašević-Obradović, J., Škorić, S. (2017). The Impact of Air Quality Conditioned by Emission of Pollutants on the

Development of Rural Tourism and Potentials of Rural Areas. *Economics of Agriculture*, Vol. 64, No. 3, 871-886.

5. Ćirić, M., Počuča, M., Raičević, V. (2014). Level of customer orientation and customer protection in hotels in Serbia. *Economics of Agriculture*, Vol. 61, No. 1, 25-39.

6. Ćurić, K. (2010). Promišljanje razvoja ekoturizma i ekološke poljoprivrede [=Considering the Development of Ecotourism and Ecological Agriculture]. *Praktični menadžment*, Vol. 1, No. 1, 98-100.

7. Honey, M. (2008). *Ecotourism and Sustainable Development: Who Owns Paradise* (sec. ed.), D.C, Island press, Washington, USA.

8. Izveštaj o stanju životne sredine u Republici Srbiji za 2017. godinu (2018) [=The Report on the Condition of the Living Environment in the Republic of Serbia for 2017 (2018)]. Ministarstvo zaštite životne sredine - Agencija za zaštitu životne sredine, Beograd.

9. Izveštaj o stanju životne sredine u Republici Srbiji za 2016. godinu (2017) [=The Report on the Condition of the Living Environment in the Republic of Serbia for 2016 (2017)]. Ministarstvo zaštite životne sredine - Agencija za zaštitu životne sredine, Beograd.

10. Izveštaj o stanju životne sredine u Republici Srbiji za 2015. godinu (2016) [=The Report on the Condition of the Living Environment in the Republic of Serbia for 2015 (2016)]. Ministarstvo zaštite životne sredine - Agencija za zaštitu životne sredine, Beograd.

11. Jegdić, V. (2010). Model razvoja ekoturizma u Vojvodini [=The Model of Ecotourism Development in Vojvodina]. *Ekonomski horizonti*, Vol. 12, No. 1, 63-78.

12. Jovičić D. (2000). *Turizam i životna sredina* [=Tourism and the Environment], Zadužbina Andrejević, Beograd.

13. Jovičić, Ž. (1999). *Osnove turizmologije* [=The Fundamentals of Tourism Science], Prirodno-matematički fakultet, Banja Luka.

14. Karampela, C., Kizos, T., Spilanis, I. (2016). Evaluating the impact of agritourism on local development in small islands. *Island Studies Journal*, Vol. 11, No. 1, 161-176.
15. Lazarević, M. (2017). Uticaj turizma na životnu sredinu [=The Impact of Tourism on the Environment]. *Economics*, Vol. 5, No 1, 137-150.
16. Mansury, Y., Hara, T. (2007). Impacts of Organic Food Agritourism on a Small Rural Economy: A Social Accounting Matrix Approach. *The Journal of Regional Analysis & Policy (JRAP)*, Vol. 37, No. 3, 213-222.
17. Milićević, S., Podovac, M., Jovanović, D. (2013). Održivi razvoj turizma sa posebnim osvrtom na Evropsku Uniju [=Sustainable Tourism Development Focusing on the European Union]. *Menadžment u hotelijerstvu i turizmu*, Vol. 1, No. 1, 21-30.
18. Muhi, B. (2010). Ruralni turizam kao faktor revitalizacije sela u Vojvodini – izazovi i pravci razvoja [=Rural Tourism as a Factor of Revitalizing Vojvodina Villages]. *Economics of Agriculture*, Vol. 57, No. 3, 475-485.
19. Padilla, R. (1988). La demanda de servicios turisticos en Espana. *Investigaciones Economicas*, Np. 12, 461-472.
20. Počuča, M., Matijašević-Obradović, J., Drašković, B. (2017). Correlation between the Air Quality Index SAQI_11 and Sustainable Rural Development in the Republic of Serbia. *Economics of Agriculture*, Vol. 64, No. 3, 1249-1262.
21. Privredni potencijali i aktivnosti od značaja za životnu sredinu Republike Srbije za 2017. godinu – Indikatorski prikaz (2018) [=The Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2017 – An Indicator overview (2018)]. Ministarstvo zaštite životne sredine - Agencija za zaštitu životne sredine (ur. Krunić-Lazić, M.), Beograd.
22. Privredni potencijali i aktivnosti od značaja za životnu sredinu Republike Srbije za 2016. godinu – Indikatorski prikaz (2018) [=The Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2016 – An Indicator overview (2018)]. Ministarstvo

zaštite životne sredine - Agencija za zaštitu životne sredine (ur. Krunić-Lazić, M.), Beograd.

23. Privredni potencijali i aktivnosti od značaja za životnu sredinu Republike Srbije za 2015. godinu – Indikatorski prikaz (2017) [=The Economic Potential and Activities of Importance to the Republic of Serbia Environment for 2015 – An Indicator overview (2017)]. Ministarstvo zaštite životne sredine - Agencija za zaštitu životne sredine (ur. Krunić-Lazić, M.), Beograd.

24. Regulation on the ecological network, "Official Gazette of The Republic of Serbia", no. 102/10.

25. Rogerson, C.M., Rogerson, J. M. (2014). Agritourism and local economic development in South Africa. Bulletin of Geography. *Socio-economic Series*, Vol. 26, No. 26, 93-106.

26. Stanić, M., Vujić, T. (2016). Turizam kao faktor ekonomskog razvoja [=Tourism as a Factor of Economic Development]. *Međunarodni naučni skup – Sinergija 2016 "Uloga i značaj turizma u privrednom rastu i razvoju Republike Srpske i BiH"*, Bijeljina, 17, 14-19.

27. Stefanović V., Azemović N. (2012). Održivi razvoj turizma na primeru Vlasinske površi [=Sustainable Tourism Development on the Vlasinska Površ Example]. *Škola biznisa*, Br. 1, 38-50.

28. *Strategija razvoja turizma Republike Srbije za period 2016.-2025.* [=Tourism Development Strategy of the Republic of Serbia for the period 2016-2025], Službeni glasnik RS, br. 98/16.

29. Statistical Yearbook of the Republic of Serbia (2016). *Environment* (ed. Kovačević, M.), Statistical Office of the Republic of Serbia, Belgrade.

30. Statistical Yearbook of the Republic of Serbia (2017). *Environment* (ed. Gavrilović, D.), Statistical Office of the Republic of Serbia, Belgrade.

31. Statistical Yearbook of the Republic of Serbia (2018). *Environment* (ed. Gavrilović, D.), Statistical Office of the Republic of Serbia, Belgrade.

32. Todorović, M., Bjeljac, Ž. (2007). *Osnove razvoja ruralnog turizma u Srbiji* [=The Fundamentals of Rural Tourism Development in Serbia]. *Glasnik Srpskog geografskog društva*, Vol. 87, Br. 1, 135-148.
33. Tomka, D. (2012). *Osnove turizma* [=The Fundamentals of Tourism], Fakultet za sport i turizam, Novi Sad.
34. Vidučić, V. (2007). *Pomorski turizam: prometne razvojne i ekološke dileme* [=Marine Tourism: transportation development and environment dilemmas], Pomorski fakultet u Splitu, Split.
35. Wall G., Mathison A. (2006). *Tourism: change, impacts and opportunities*, Pearson Education Limited, Harlow.
36. *Zakon o zaštiti životne sredine* [=Environment Protection Law], "Sl. glasnik RS", br. 135/2004, 36/2009, 36/2009 - dr. zakon, 72/2009 - dr. zakon, 43/2011 - odluka US, 14/2016, 76/2018 i 95/2018 - dr. zakon.
37. Zhenhua L. M. (2003). Sustainable tourism development: A critique. *Journal of Sustainable Tourism*, Vol. 11, No. 6, 459-475.
38. Ziffer, K. (1989). *Ecotourism: The Uneasy Alliance*, DC: Conserv. Int., Washington, USA.

TOURISM IN FUNCTION OF DEVELOPING MAVROVO AS MOST PROTECTED AREA IN MACEDONIA

Naume Marinovski¹; Ivanka Nestoroska²;

Abstract

Tourism development in Mavrovo is based on the optimal use of tourist resources for which tourism has particular importance because its developmental potentials are remarkable. It is a factor of socioeconomic progress by accelerating economic, social and cultural development.

Inclusive tourism planning enables evaluation and use of the resources in a sustainable way both in the natural and cultural spheres. Mavrovo is characterized by the presence of typical configuration and widespread natural values that enable it to acquire credentials of protection of the highest rank in the country.

In addition, there is a significant cultural, historical and ethnographic heritage. Such complexity suggests that the development of tourism should rely on the use of authentic values. They should be the basis of the tourist offer and the creation of recognizable tourist products which in the performance of the tourist market will have successful acceptability for tourist clients from the country and abroad.

Key Words: *tourism, development, protected areas, Mavrovo, planning*
JEL classification: Z32

Introduction

Tourism in Mavrovo has been identified as one of the main activities in the adopted documents related to its socio-economic development. Considering that it can activate the potentials in a sustainable manner and accelerate overall development, it is a major concern of the involved stakeholders from tourism policy, tourism industry, cultural events and

¹ Naume Marinovski, PhD, Full Professor, Faculty for tourism and hospitality – Ohrid, Kej Makedonija, #95, 6000, Ohrid, Republika Makedonija, +38970237817, naumemarinoski@yahoo.com

² Ivanka Nestoroska, PhD, Full Professor, Faculty for tourism and hospitality – Ohrid, Kej Makedonija, #95, 6000, Ohrid, Republika Makedonija, +38971260703, ivanka.nestoroska@uklo.edu.mk

institutions, protection of the environment, as well as local population. The interest is seen in the benefits of municipality and local communities, and particular sites and objects.

Therefore, the approach in this research is to present the level of tourism development through the prism of the realization of projects and planning forecasts, the normative regulations that enable the Municipality to achieve its developmental goals on different levels. The strategic approach allows determining activities that will contribute to income increase through improved tourist development. Municipality contribution in the process of inclusion of different sectors that constitute tourism as socioeconomic activity is identified as practical and innovative approach in the municipalities of Mavrovo and Rostuse. The Municipality is located in Polog Region which, along with Vardar, Southwestern, and Northeastern regions, is included in the developed Registers of potentials for rural tourism development, as result of UNDP-MLSRM Project for Innovative solutions for improved access to services at local level (UNDP-MLS, 2016). Based on cumulative results obtained by the best assessment of the areas that enabled prioritization and ranking of zones for rural tourism, zones for rural tourism development were identified and mapped, which makes the outcomes of the research in these regions (Nestoroska et al. 2016).

The perception of strategic goals and the possibilities for realization are based on the current trends and the conditions for development. Attractive and receptive resources in this area are starting point for improved tourism development, as well as the Status of Mavrovo as Protected Area: Category II (National Park), since the proclamation in 1949. (National Park Mavrovo, 2018). Therefore, the potentials with an attractive and receptive character and the need for destination management that will encourage and synchronize the stakeholders relations that occur in this spatial area should be established as developmental goals for Mavrovo. Developmental opportunities are again the basis for the forecasts, their classification and adoption of an action plan that should be implemented within the next period.

Starting point for strategic approach to tourism development

The starting point for tourism development in Mavrovo is the need for a strategic approach to development. Namely, such approach enables to determine the developmental priorities of the Municipality in the field of

tourism. It will contribute to new findings which will be the starting point in planning and establishing sustainable development projections. The preparation and implementation of the research were approached by determining the necessary components for its realization.

The assessment of current situation encompasses the characteristics and relations that are relevant for tourism development and had influence to development of the Municipalities of Mavrovo and Rostuše as part of the Polog Region. It encompasses the perception of the development through the parameters used as values. According to Nestoroska, (2012), with the presence of different natural and cultural values, tourism development should be base for the creation of competitive tourist offer of the Municipality.

The strategic planning of the Municipality's tourism development is the starting point of the analysis of the local self-government management (Municipality of Mavrovo and Rostuše, 2018). The development of tourism in the Municipalities of Mavrovo and Rostuše should be oriented on a long-term basis with planned activities for optimal use of resources. On the territory of this Municipality, tourism is a recognizable activity, not only in the period from its formation to date, but it should be said that it has roots in the historical context.

This municipality belongs to the group of municipalities or tourist destinations which are designated as the most attractive in the Republic of Macedonia. The tradition, attractiveness and emphasized diversity represent the basis of tourism in both qualitative and quantitative sense, and it is constantly upgraded. Hence, the intention is to make the research innovative, and the measures and implementation activities operational and rational.

Municipality orientation for increased level of tourism development results from the need for strategic approach to this issue and adoption of strategy for tourism. Such strategic approach is due to the attractive characteristics that are of particular value in this region where natural and cultural attractions have the highest level of protection (Marinoski, 2012).

Good communication connections, supply of accommodation facilities, catering services, communal infrastructure and infrastructure facilities are also in the function of tourism development. The need for strategic

orientation is also based on the positive development policy that is lead with regard to the positive treatment of tourism by the local autonomy.

The fact that encourages is that the Municipality and the Local Economic Development Department are highly dedicated to the realization of the efforts for tourism to be one of the priority activities (Municipality of Mavrovo and Rostuše, 2018). In fact, their ambition and enthusiasm are confirmed by the pronounced need for adopting a development strategy in the field of tourism as the most important factor of the Municipality activities. The optimal use of tourism resources emphasizes this need.

The research on the tourism development of the Municipality of Mavrovo and Rostuše for the next ten-year period provides, on a long-term basis, planned forecasts that enable perception of the potentials and projection of optimal use of resources in the function of tourism development. On the territory of this Municipality, tourism is a recognizable activity, not only in the period from its formation to date, but it should be said that it has roots in the historical context. In the past period, tourism was taken as one of the priority activities (Programme for support of local economic development of Municipality Mavrovo and Rostuše, 2014), but since it is a complex and heterogeneous developmental opportunity, perspectives that were not realized have remained. In this regard, the research should enable the promotion of tourist valorization of new contents, promotion of promotional activities, accessibility of the tourist offer to the tourist demand and development of human potentials.

Methodology of tourist resources research in function of strategic development planning

The choice of methods within the methodology of elaboration and implementation of the research encompasses several approaches that should enable a well-resolved solution to the tasks being set. It should provide a qualitative and quantitative realization of the tasks set out in their description. This enables identification of problems and an optimal way of resolving them. Problem solving is based on the design of guidelines that lead to sustained results. The application of different methods stems from the complexity of tourism. It should not be treated as a commercial branch, but as an activity in which catering branches, traffic, trade and service crafts have a basic development role. The research results are obtained within the framework of the primary research methodology through evaluation of the attitudes and opinions of

involved stakeholders. In a methodological sense, research on the development of tourism relies on secondary research. In doing so, relevant indicators are published by the State Statistical Office, the Ministry of Economy as a line ministry, the Employment Agency and the National Bank of the Republic of Macedonia. Also, the main source relevant indicators is the Local Autonomy which has data in the field of this activity. They can be published in the form of newsletters, reports and other publications.

The description of the task in the preparation of this research on the development of tourism is actually a requirement of an appropriate methodology. Although it has only an indicative character, the descriptions aim to reflect the frameworks in which this strategic document can be applied. Hence, the method of description is used in the context of the activities that need to be undertaken to achieve a level that allows the research to be respectable and conducive. Recognizing the problems and anticipating the possibilities for their resolution are of imperative nature. The resolution of the problems is based on the design of the guidelines leading to the contemporary results, which the Municipality of Mavrovo and Rostuše strives for in the development of tourism.

Good practices serve as models to which the development of tourism in this environment should strive. Designing the ways of their application in this tourist destination is related to the understanding of the conditions in which it is realized and their comparison with the potentials that are present in this area. It involves the application of a comparative methodology that allows determining the positive circumstances that will contribute to the sustainable development of tourism. Through the application of this approach, the experiential effect that exists in the creation of policies in this activity will be realized, whereas the research will be the basic document for realization.

The appropriateness of the methodology implies the analytical identification of the developmental parameters and their systematization. On the basis of them, we come to the conceptualization of the tendencies and directions, i.e. the realization of the set goals. In this regard, indicators of the volume, dynamics and structure reflecting the movements in the past, the situation and the tendencies in the next ten-year period are an important place. The analysis refers to perceiving the needs for changes and improvements in terms of developmental parameters.

In order to structure the developmental base in the next ten-year period, it is necessary to conduct tourist valorization of the available values. It refers to the spatial values, organizational assumptions, the attractiveness of natural and anthropogenic resources, the receptivity of the capacities and the utilization of human potentials.

The analysis of the values of the spatial position allows to perceive the relations with the environment and to find its place in the spatial relations with the emitive spheres of tourism. The transitivity of the geographical position is also tourism value, and enables the travelers who are in transit to stay in this tourist destination. But also its geographical position is a value that allows accessibility of tourists from different spatial units. Particularly important is the attitude towards emitive spheres and competitive tourist destinations.

The institutional setting of tourism implies its organizational value at all levels. It refers to the structure of tourism and its location at local, regional and national levels. In this regard, it is especially important to perceive the management of the tourist destination and the responsibility in the creation of tourism policies. Marketing activities and promotion of tourism is a field of analysis through the prism of the responsibilities of the levels of its setup from local to national level, but also in the sectors that determine the activity in the business sector, the tourist organization in the governmental and non-governmental sector, i.e. association with and without tourist predecessor. The level of networking of all stakeholders is one of the important components of tourism development. Based on this methodological approach, the knowledge about staffing and the inclusion of appropriate personnel in the implementation of strategic measures and activities is obtained. It refers to human resources and employment and quality of services. The analysis of current situation leads to identification of the conditions that determine tourism development. It encompasses the phenomena and relationships through indicators of qualitative and quantitative character, perceiving the tourist potential in terms of interaction between different factors within the municipal framework and outside of them. Such analytical approach understands identification of the conditions of the accommodation capacities in the municipality as well, allowing the future needs defining in this sense, both from the perspective of types and quality of services.

In addition to the methods that enable the optimal activity realization, especially in the domain of the research approach, it is necessary to

adhere to certain principles in the preparation of the strategy. This implies the need to scope established activities that should necessarily apply the contribution of such a document.

Values assessment

Assessment of the values refers to the qualitative and quantitative developmental parameters in the Municipality of Mavrovo and Rostuše. The quality of the road network is one of the main factors in the development of tourism in the Municipality. In order to be able to perceive the characteristics of road connectivity, it is necessary to analyze it within wider frames of the Municipality, because the connection depends on the traffic environment. Road network conditions of the Polog region, where the Municipality of Mavrovo and Rostuše belong, are presented in the table, having in mind that this communication is dominant.

Table1: *Local road network in km*

Road network 2017										
Space	State and region									
	Total	Total in %	Asphalt and cube	Participation in %	Macadam	Participation in %	Ground	Participation in %	Unspecified	Participation in %
Macedonia	9733	100	5232	53.76	807	8.29	2558	26.28	1136	11.67
Polog region	1502	100	989	65.85	113	7.52	252	16.78	148	9.85
Municipality										
Mavrovo Rostuše	187	100	65	34.76	19	10.1%	52	27.81	51	27.27

Source: *Statistical Yearbook of the Republic of Macedonia 2018*

The overview (Table1) shows that the average share of asphalt roads and cubes in the Municipality is lagging behind these parameters beyond the average share registered in the Republic of Macedonia and the Polog planning region. This means that it is necessary to improve this plan. Namely, the participation of the asphalt in the Republic of Macedonia is 53.76%, in the Polog region 65.85%, and in the Municipality of Mavrovo-Rostuše only 34.76%. This means that the quality of the road network is not satisfactory if compared with the realization in the Republic of Macedonia and the Polog planning region. However, in view of the other roads there is a precondition because there is a greater participation of the earth and unspoiled roads that are marked as an opportunity for asphalt improvement. It is especially important that part of these roads can be used as cycling and hiking trails. This situation suggests that tourism has a good basis for development according to the quality of communications. The participation of the macadam road network is modest, which confirms the previous position regarding the quality of the local road network. However, the space for promoting such communication is primarily in the restructuring of the earth's roads (a share of 27.81%, compared to a share of 27.27 % for unspecified ones). It should enable them to be transformed either into asphalt roads or to be used for tourist recreational purposes. This will raise the quality of the road network to a higher level. The share of unplanned roads is relatively high, so that their use can be the basis for future development benefits.

Biodiversity as a basis for designing the tourism development in Mavrovo

The flora in the Municipality of Mavrovo and Rostuše is characterized by very wide diversity and specific territorial distribution. According to Marinoski (2012), in this area, there are plant species that are characteristic for the Mediterranean and Euro-Siberian regions. One of the most important values of the Mavrovo National Park is the biogeographical elements of the geographical environment. The flora is very rich and diverse. In the Park there are 80 species of trees, which is 30% of all trees growing in the Republic of Macedonia (p.388).

The vegetation can be classified in the following height zones:

- height zone from 600 to 1,000 meters. It is the oak belt;
- height zone from 1,000 to 1,500 meters. Considering that this is a height zone with located settlements, there are agricultural areas and there is beech forest vegetation;

- a height zone of 1,500 to 2,000 m represents a zone in which the upper boundary of the forest belt extends;
- a height zone from 2,000 to 2,500 m is characterized by grassland which is represented as a mountain system and pastures and
- a height zone over 2,500 meters in which the snow cover is maintained throughout the year.

Within the Municipality of Mavrovo and Rostuše, especially Bistra, there are complexes of conifers. They are located mainly in its northwestern part, in the gorge of the Mavrovska River, above the village of Volkovia and Senečka planina. At Senečka planina there is one spacious unit in which the authentic nature is preserved. It is the conifer forest area named Ostrov. This forest is quite inaccessible, and hence it is an element in the geographical environment to which man has the least influence. That is why Ostrov has a great ecological and botanical significance, and, in this context, a great tourist and educational value.

The spruce forest near the village of Volkovia is characterized by a very pronounced beauty. Wolf's Spruce Forest is the oldest spruce forest on the territory of Macedonia (Marinoski, 2012). This means that besides the beauty and recreational features of this forest, it also possesses curiosity tourist properties as a singularity in this geographical area. It meets from the lowest to the uppermost boundary of its altitude.

On the part of the Belička River to Mavrovo Lake, an area of 12 km, there is a fir and beech forest. Due to the proximity to the lake and the availability, this forest has a particularly touristic significance. This significance applies to both the aesthetic and the recreational properties of the forest cover of this area. In the grassland zone there are numerous mountain flowers and fruits that provide herbal tourism activities and pleasant walks. This area also has some relicts and endemic species that are not represented on other mountains in the Republic of Macedonia. Such are the following:

- wild chestnut;
- Javier - semi-grimaceous plant;
- Istar caller - perennial green plant and
- Šarski quarry - a perennial green plant that grows in the crevices of limestone rocks and has very beautiful white flower.

The picturesque world is very rich, and it is represented as high game, as well as low and feathered game. Within the Municipality, a special hunting ground has been fenced and set up. This is the Brezovec Hunting Ground, which is considered to be best established one in the Republic of Macedonia. In this hunting ground, there are facilities that allow the reproduction of the game on the one side, as well as the real enjoyment of the hunting on the other. In most rivers, there are interesting fish specimens that allow fishing activities. There are three different fishing areas only in Bistra made for this purpose: Mavrovo Lake, the Radika Reka, the Mala Reka and the Garcka Reka.

Cultural values as tourist attractions in Mavrovo

Cultural tourist attractions have a significant place in this region and especially in the Municipality of Mavrovo and Rostuše. They are of a sacral and profane character.

The Monastery of St. Jovan Bigorski is very attractive for tourists. Besides cultural and educational significance, this monastery has great historical and artistic significance, as well. It is famous as the monastery that was founded in 1020, on the one hand, (Marinoski, 2012) and for having the aesthetics with wonderful creations contained in the interior of this cultural and historical monument.

In the area of the Mavrovo National Park, almost every village has a church dating from the early Middle Ages. In addition, the Ellen Skok Bridge on the Mala Reka deserves attention. It represents a pedestrian connection between the main road from Lazaropole and the villages on the right side of the Mala Reka.

There are also numerous monuments and memorials from the recent history. The monument in Trnitsa and the monument in Lopusnik in honor of Kočo Racin are the most important monuments. The monuments in Mavrovo, Lazaropole and Galičnik also attract attention.

In the village of Bituse there is a museum of the First Illegal printing house of the National Liberation Army from the period of the 2nd World War. The first Macedonian newspapers, such as *Naroden vesnik*, *Mlad Borec* and *Nova Makedonija*, were printed here.

The architectural heritage of this area presents the typical Macedonian architecture. It is most plaited in the villages of Galičnik, Lazaropole and Janče.

The ethnographic tourist values of this area are emphasized as rarely on the territory of Macedonia. Here, not only houses are distinguished by their specific architecture, but the whole settlements represent a living history of the former life in an economic, social, political, and cultural sense. The houses, viewed individually, are valuable documents for the housing culture, the way and the organization of family life.

Hospitality in the Municipality of Mavrovo and Rostuše as a potential can be emphasized by the excellent specialties. They are recognizable by their quality and traditional ethnographic attractive properties. Based on these values, we can conclude that it is a special gastronomic offer. It should be a factor that will advance catering. The register contains the most important part of the dishes of traditional cuisine. The most common are the following: fresh cake, cake, simit, mixed bread, corn bread, pie, sour cherries, bakrdan, gomleze, Galički sir (type of cheese), stuffed peppers, stuffed cabbage, šekjer pare, baklava, and homemade sour milk.

A good practice of such type of offer is found in the village of Jancevo, where excellent specialties are served. A similar good practice in the traditional gastronomic offer in an authentic setting can be found within the complex of the Monastery of St. Jovan Bigorski. It can be obtained in a separate catering facility as a part of the complex. These gastronomic specialties are often prepared by the locals. This should be understood as the origin of a more active involvement of the local population in the tourism and hospitality of the Municipality of Mavrovo and Rostuše.

Traditional crafts are recognizable in carving and building. It is present in the interiors and exteriors. There is a special recognition of the Mansion House. Woodcarving is enshrined in the ornaments of the Aids, ceilings, and household equipment. The architectural heritage is recognizable by the décor and the roof, i.e. the arrangement of the rooms and the wide verandas. And in this respect, good practice is the restoration of old houses, and animation value is the obvious use of mud as a building material in the village of Janče.

The manifestation activities of the Municipality are closely related to the ethnographic qualities of this area. In this context, of great tourist

importance is the organization of the traditional and very attractive manifestation Gališnik Wedding, characteristic for keeping the tradition, customs and gorgeous national costume. Dolphin Wedding is of similar features. It is a rare combination of multicultural presentations in a tourist destination with mutual respect.

Main tourism characteristics

Tourists visit and stay is the most relevant indicator of the level of tourism development in the Municipality of Mavrovo and Rostuše. Tourism development in this Municipality as one of the rural regions of the country should be in relation to developmental goals or priorities where tourism is identified as important contributor to socio-economic growth of rural areas and villages (Nestoroska, 2017). These parameters refer to its structure related to domestic and foreign tourists. Therefore, tourist flows are analyzed for the period 2011-2017, in order to determine the main characteristics. The period of analysis covers the number of visitors, the number of overnight stays and their dynamics in the analyzed period. They are given both in a table and in a graph. These data are given as the scale and structure in Table 2.

Table 2: *Scope and structure of the number of visitors in the Municipality of Mavrovo and Rostuše*

	2011	2012	2013	2014	2015	2016	2017
Domestic tourists	12128	12384	11488	11220	9861	10179	10015
Foreign tourists	9332	9604	10922	8558	9055	8204	10636
TOTAL	21460	21988	22410	19778	18916	18383	20651

Source: *State Statistical Office of RM, Makstat Base, 2018*

The table overview shows that the total number of tourists in the Municipality in 2017 was 20 651. The number of domestic tourists in this period, excluding the last analyzed year, is somewhat larger than the number of visitors from foreign countries. However, these deviations are relatively small. In the last year, there were 10 651 foreign tourists, and 10 015 domestic ones. This means that distribution is almost the same. The dynamics of development is presented through the base index. These indicators are given in Table 3.

Table 3: *Dynamics of tourist visits*

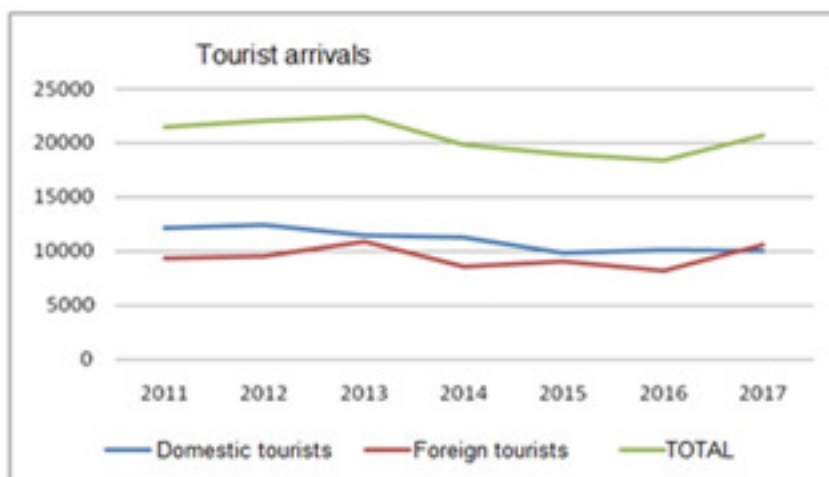
	2011	2012	2013	2014	2015	2016	2017

Domestic tourists	100	102	95	93	81	84	83
Foreign tourists	100	103	117	92	97	88	114

Source: *State Statistical Office of RM, Makstat Base, 2018*

Table 3 shows that the index of increase in domestic tourists was recorded only in the first year, for only 102 index points. In the rest of the period, stagnation and evident decrease in the number of domestic visitors is evident. There are oscillations in foreign visitors. The growth period occurs in the first two years, which is followed by a decrease till 2017. The growth in the last analyzed year gives optimism that this trend could be set. But in this respect, it is evident that a strategic approach is needed to raise the quality of services at a higher level. Particularly optimistic should be the projection of increase of foreign arrivals as a driver to increased foreign exchange results. Given that foreign visits have a greater contribution to the economic effects, this trend will contribute to a more intensive development not only from tourism but also from other activities. These trends are also given in Figure 1. It shows domestic and foreign tourist arrivals by years.

Figure 1: *Tourist arrivals*



Source: *State Statistical Office of RM, Makstat Base, 2018*

Tourists stay is an indicator showing the level of interest of tourists in the Municipality as destination in a certain period. It is expressed through the realized overnight stays of both domestic and foreign tourists. These indicators are given in Table 4.

Table 4: *Scope and structure of realized overnight stays of tourists*

	2011	2012	2013	2014	2015	2016	2017
Domestic tourists	23002	22406	22107	20852	19952	17745	19060
Foreign tourists	16577	18855	21625	17114	16955	14808	19683
TOTAL	39579	41261	43732	37966	36907	32553	38743

Source: *State Statistical Office of RM, Makstat Base, 2018*

From the table, it can be seen that it is in relation with the visits of tourists in the Municipalities of Mavrovo and Rostuše. The total number of overnight stays in the Municipality in the last analyzed year is 38 743. If we look at the ratio of domestic and foreign overnight stays, we can conclude that it has a similar ratio. This means that there are no significant differences and that it is necessary to improve the quality of services and the performance of the tourism market both in the country and abroad in order to improve the situation. The average stay is about 2 days for both domestic and foreign tourists. The development of tourism is closely related to the movement of the overnight stays in this analyzed period. It applies both to domestic and foreign tourists. These indicators are given in Table 5.

Table 5: *Dynamics of the stay*

	2011	2012	2013	2014	2015	2016	2017
Domestic tourists	100	97	96	91	87	77	83
Foreign tourists	100	114	130	103	102	89	119

Source: *State Statistical Office of RM, Makstat Base, 2018*

The table shows that in the analyzed period the number of overnight stays decreased. Compared with 2011 as the base year, all observed years recorded a decrease. This means that it is necessary in this regard to undertake activities in this field.

In contrast, the number of nights spent by foreign tourists registered an increase. Thus, the growth in 2017 is within the index of 119 that means that the nights spent by foreign tourists have increased for approximately 20%. This is an optimistic indicator because such a dynamic has a positive tendency of the tourist stay increase. The realized revenues are an indicator, not only of the tourist but also of the economic development of the Municipality of Mavrovo and Rostuše. The data for the realized revenues in the last analyzed year is 3 009 440 (USD). The realized revenues from the consumption of domestic tourists and foreign tourists have almost the same values, i.e. participation with about 50%. This

means that it is necessary to enrich the tourist offer in order to realize greater results at home and abroad. The volume of revenues from tourist consumption is given in Table 6.

Table 6: *Tourist consumption in 000 USD*

	2011	2012	2013	2014	2015	2016	2017
Domestic tourists	1,840.2	1,792.5	1,768.6	1,668.1	1,596.2	1,419.6	1,524.8
Foreign tourists	1,326.2	1,508.4	1,730.0	1,369.1	1,356.4	1,184.6	1,574.6
TOTAL	3,166.3	3,300.9	3,498.6	3,037.2	2,952.6	2,604.2	3,099.4

Source: *State Statistical Office of RM, Makstat Base, 2018*

Conclusion and expected results

The expected results from the development of tourism in the Municipality of Mavrovo and Rostuše in the next ten-year period are in the direction of further commitment of the Local Government, as well as other stakeholders to be recognized for sustainability and fulfill the brand of the Municipality as "the shine of nature and culture". This implies the optimal and rational use of resources for which it is expected to achieve the defined vision and achieve the outlined assumptions. The results of the implementation of the Strategy have a general and specific character. The general is in accordance with the realization of the provision of ecological sustainability and cultural protection and their use. The expected result is the economic use of resources and the social acceptability of the tourism destination in a sustainable form. The result should be sustainable development as a priority of the Municipality which due to its extension in the Mavrovo National Park is under full environmental protection. The expectations are that the Municipality will experience the level of optimal organization according to modern standards, and in this way the commitment for increased contribution to the economic and social development and improvement of the quality of life in the Municipality will be realized.

Expected benefits are in the promotion of the institutional structure and the adoption of new legal documents regarding the sustainable development of tourism in the Municipality as a tourist destination. Improvement of infrastructure and communal equipment to provide improved attractiveness and competitiveness of services is expected to improve the quality of life of the population and tourists. The Municipality will have improved communication that is the basis for

integral functioning. It is expected that sustainable management of the tourist destination will be realized. Through tourist valorization, it is expected to expand the space and activate new sites and objects that will find a place in tourism products and their ranking at the tourist market.

Regarding the quality of services, significant improvement is expected in both the tourism sector and the provision of catering services. More participation of local people in tourist activities and the inclusion of services and products with authentic characteristics is expected. It is expected that the quality of life will be recognizable in the Municipality and that it would provide a good example for other environments.

References

1. Marinoski, N. (2012). *Tourist geography (Типустичка географија)*, Faculty for tourism and hospitality, Ohrid, 2012, Republic Macedonia
2. Marinoski, N. (2015). *Principles of tourist theory and practice, (Основи на туристичка теорија и практика (5-th edition))* Faculty for tourism and hospitality, Ohrid, Republic Macedonia,
3. Marinoski, N., Nestoroska, I. (2016). Balneological values in function of tourism development in Republic of Macedonia”, (with co-author), *First International Conference: Tourism in function of development of the Republic of Serbia: Spa tourism in Serbia and experiences of other countries*, Faculty of hotel management and tourism in Vrnjacka Banja, University of Kragujevac, Vrnjacka Banja, june, 2016.
4. Municipality of Mavrovo and Rostuše, <http://www.mavrovoirostuse.gov.mk>
5. Municipality of Mavrovo and Rostuše (2014). *Programme for construction, reconstruction, maintaining and prevention of local roads, streets and bridges on the territory of municipality Mavrovo and Rostuše*
6. Municipality of Mavrovo and Rostuše (2018). Statute of Municipality Mavrovo and Rostuše. *Official Gazette of Municipality Mavrovo and Rostuše*, No. 02/2008
7. Municipality of Mavrovo and Rostuše (2018). *Strategy for tourism development in Municipality Mavrovo and Rostuše (2019-2028)*
8. National Park Mavrovo, <https://npmavrovo.org.mk>

9. Nestoroska, I.(2012). Identifying tourism potentials in Republic of Macedonia through regional approach, *XI International conference: "SERVICE SECTOR IN TERMS OF CHANGING ENVIRONMENT"*, 27-29 October, 2011, Ohrid, Republic of Macedonia, Procedia - Social and Behavioral Sciences 44 (2012) 95 – 103, ELSEVIER
10. Nestoroska, I., Marinovski, N., Risteski, M. (2016). Application of FAS methodology for identification of rural tourism development potentials in the mountainous area of the Northeastern planning region, *XIII International scientific Conference on services sector INSCOSES 2016*, Ohrid, 06-07 october
11. Nestoroska, I. (2017). Tourism development challenges for rural regions, *International scientific conference on economics and management*, EMAN 2017, Conference Proceedings, March, 30, Ljubljana, Slovenia, pg.910-915
12. Programme for support of local economic development of Municipality Mavrovo and Rostuše (2014), Municipality of Mavrovo and Rostuše,
13. State Statistical Office of R. Macedonia(2018), *Statistical Yearbook of the Republic of Macedonia*, www.stat.gov.mk
14. State Statistical Office of RMacedonia (2018), *Makstat Base*, <http://makstat.stat.gov.mk/PXWeb/pxweb/mk/MakStat/?rxid=46ee0f64-2992-4b45-a2d9-cb4e5f7ec5ef>
15. UNDP-Ministry of local self-government of the Republic of Macedonia (2016), *Innovative solutions for improved access to services at local level*

SMEs IN THE DEVELOPMENT OF TOURISM IN THE AREA OF THE CRNA REKA BASIN IN THE REPUBLIC OF MACEDONIA

Cane Koteski¹; Marija Magdincheva-Shopova²;

Abstract

Modern and dynamic working conditions indicate a challenge for SMEs that are characterized by the ability to quickly adapt to change, opportunities and consumer needs. The subject of research in this paper focuses on perceiving the impact of SMEs in the development of tourism in the area of the Crna Reka basin. From geographical point, the Crna Reka passes through 13 municipalities in the southwestern part of the Republic of Macedonia and covers an area of 4869.72 km². Natural beauties, clean environment, monasteries, manifestations, traditional food, and local resources preconditions tourism development throw the SMEs in this region.

The subject of research in this paper is focused on perceiving the need for applying an innovative approach in creating an original tourist offer. Through the analysis, the basic hypothesis will be confirmed that the SMEs are promoters of tourism development in this region.

Key Words: *SMEs, basin, the Crna Reka, tourism, innovative approach*

JEL classification: *M14, Z32*

Introduction

Republic of Macedonia is a traditional, tourist-oriented country. Tourism is one of the most important and fastest growing industrial sectors, recognizable for the 21st century. According to the data on the number of tourists, 2017 recorded an increase in the number of tourists by 16.6% in relation to the number of tourists in 2016 (www.stat.gov.mk). The growth of the tourist turnover, expressed through the number of tourists, realized

¹ Cane Koteski, Ph.D., Associate Professor, University Goce Delcev, Faculty of Tourism and Business Logistics in Gevgelija, 7st Novembar, 1480 Gevgelija. +389 70 212 724, cane.koteski@ugd.edu.mk

² Marija Magdincheva-Shopova, Ph.D., Associate Professor, University Goce Delcev, Faculty of Tourism and Business Logistics in Gevgelija, 7st Novembar, 1480 Gevgelija, +38978324377, marija.magdinceva@ugd.edu.mk, marijamagdincevasopova@gmail.com

through overnight stays observed in recent years, is a confirmation of the fact that in the Republic of Macedonia tourism is one of the most important factors for the development of the economy. Tourism is one of the promising branches in the new globalization processes that reduces the borders of movement and economic development of the regions. Therefore, through the development of tourism and the creation of an appropriate tourist offer, the development processes within the national economy are fostered, the natural and cultural heritage is nurtured and contributed to the national integration of people. Modern globalization trends lead to certain changes in all segments of the operation of enterprises in all areas, including tourism sector. Numerous studies highlight the role of tourism in improving the quality tourists' life (Kim, et. al., 2015). Modern trends affect the expansion of the demands of tourists and their targeting to new touristic contents that are not touristically affirmed yet.

Tourism is a sector that fosters economic development and it has a big role in creating both the labor market and enterprises in the tourism sector, especially the specializing enterprises in certain services. Tourism represents a travel for holidays, fun, healing and sightseeing (Mukinovic, 1990). Most of the modern tourism movements include a range of activities.

The Republic of Macedonia, in particular the area that lies on the Crna Reka, in the Southwest part of the Republic of Macedonia, has huge potential for tourism development by utilizing the natural location and a combination of different ways of establishing a tourist offer. Natural beauties, clean surroundings, filled with lakes, mountains, waterfalls, monasteries, manifestations, traditional food, hospitality and local resources, are precondition for increasing the number of small and medium enterprises in this region. The representation of small and medium enterprises in the field of tourism provides preconditions for the development of the Southwest part of the Republic of Macedonia, and the application of innovative ways of organizing the work tool for providing adequate tourist offer. Active representation of small and medium enterprises in the field of tourism through the constant introduction of new forms of work and the entrepreneurial concept of enterprise behavior results in the creation of a competitive tourist offer appropriate to the needs of tourists.

Geographical description of the area of the Crna Reka, Republic of Macedonia

The suburban area of the Crna Reka is a spatial area that is located in two states in the southwestern part of the Republic of Macedonia and the northern part of the Republic of Greece, and the shrubs are naturally clearly defined. The border of the suburban sub-region of the Crna Reka starts from the catchment in the Vardar.

The suburban area of the Crna Reka in the Republic of Greece starts from the top of Kajmakchalan, i.e. the sloping area of the Elez Rivercoexisting tributary of the Crna Reka, which covers the area of 905.27 km² in Lerin area. The total length of the Crna Reka is 207 km with total area of 5774.99 km² (in both countries).

The suburban area of the Crna Reka in the Republic of Macedonia has a total area of 4869.72 km² and in the neighboring Republic of Greece it covers an area of 905.27 km². In the drainage-basin of the Crna Reka, a total of 390 settlements were collected, out of which 339 settlements are located in the Republic of Macedonia and 51 settlements are located on the territory of Greece. According to geographical location all municipalities are included in warmer zones in the country. (Koteski et al., 2014).

The territory of the suburban area of the Crna Reka is divided into three regions:

- Vardarski region (Gradsko, Kavadarci and Rosoman);
- Southwesterly (Drugovo) and
- Pelagoniski (Bitola, Demir Hisar, Dolneni, Krivogastani, Krusevo, Mogila, Novaci and Prilep) (Markovski B., 2008).

The territorial organization of the Crna Reka basin is organized on:

- Municipal settlements, which includes: Bitola, Demir Hisar, Krusevo and Prilep and
- Other settlements including Dolneni, Drugovo, Krivogastani, Mogila, Novaci and Rosoman. Such isolated municipalities are not fully in line with natural geographical, socio-geographical and economic-geographical features (Markovski B., 2008).

Next figures are given as an overview of the natural and hydrographic regions of the Crna Reka Basin and geographic position.

Figure 1: *Geographic position of the Crna Reka Basin*



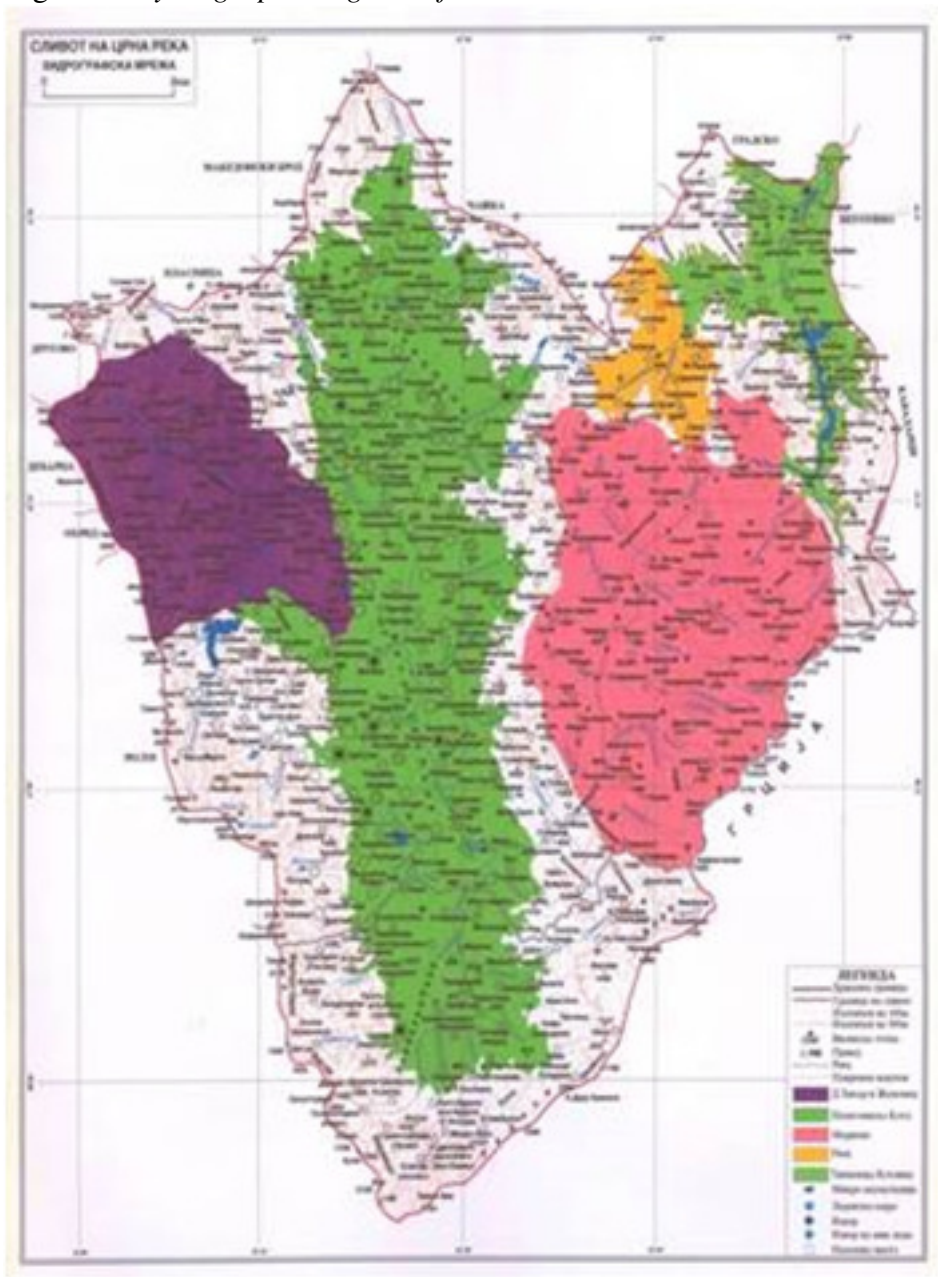
Source: (Koteski, 2011), *Basin of The Black River*, p.175

Figure 2: *Natural regions of the Crna Reka Basin*



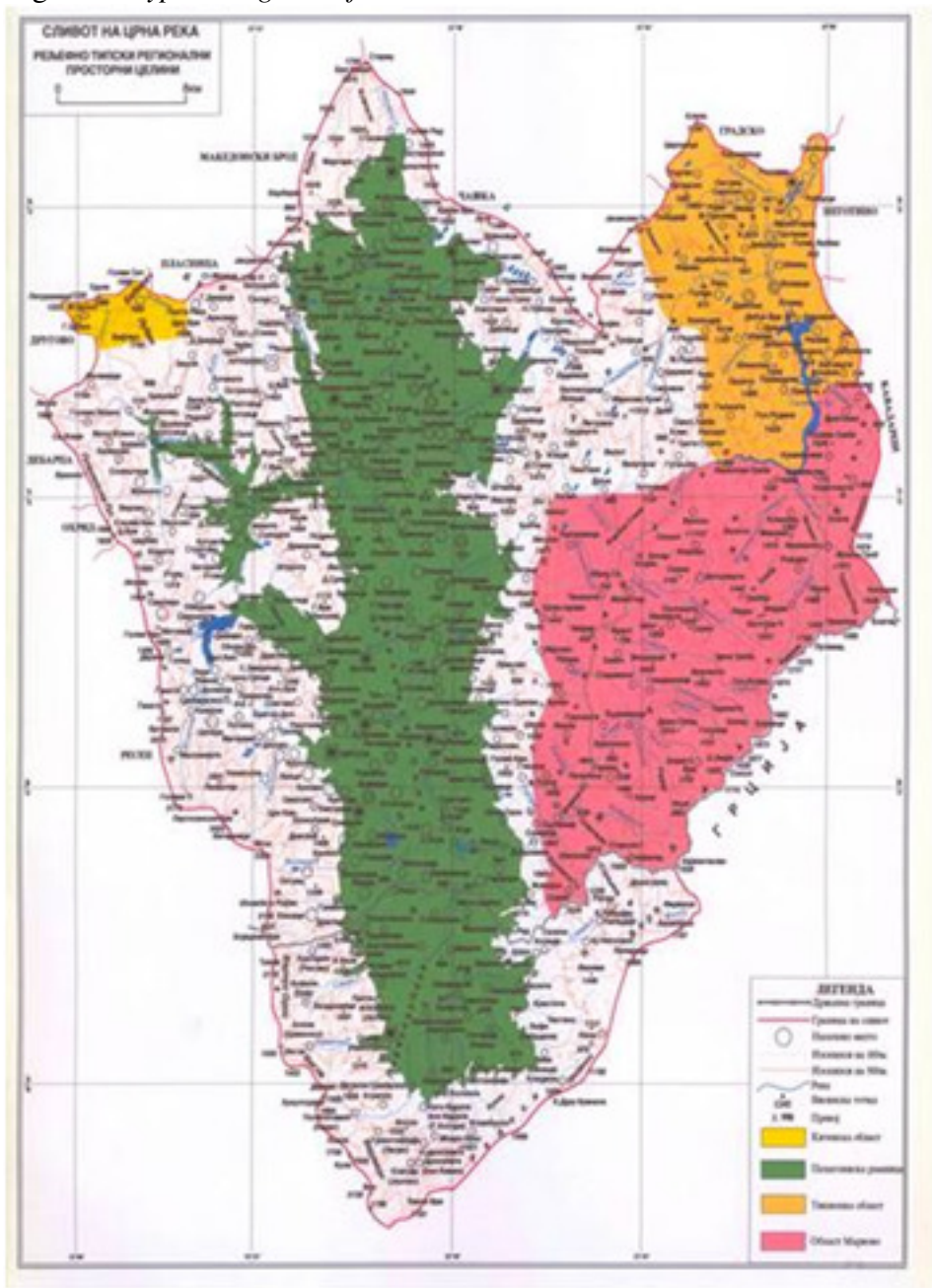
Source: (Koteski, 2011), *Basin of The Black River*, p.138

Figure 3: *Hydrographic regions of the Crna Reka Basin*



Source: (Koteski, 2011), *Basin of The Black River*, p.25

Figure 4: *Typical regions of the Crna Reka Basin*



Source: (Koteski, 2011), *Basin of The Black River*, p.230

Demographic structure of the population in the area of the Crna Reka

The demographic structure of the population is a significant indicator of its dynamics. Changes in the structure indicate not only the quantitative characteristics and the qualitative characteristics of separate elements. The numerical movement of the population is a basic academic component, resulting in numerous changes in other demographic elements. Under the influence of various factors, the past dynamics of the population showed positive negative changes. The demographic elements show the fundamental changes in the social, economic, ethnic and other characteristics and changes of the population, which is an essential driving force for the development of geographical area.

Table 1 provides an overview of the data on the total population, area and settlements for the municipalities of the Crna Reka Basin

Table 1: *Data on the total population, area and settlements for the municipalities of the Crna Reka Basin*

Municipalities	Population (2012)	Area (in km²)	Populated places
Bitola	98630	771	66
Gradsko Part of the basin	49	27.3	1
Demir Hisar	9497	491.6	41
Dolneni	11583	404.1	37
Drugovo Part of the basin	164	72.8	3
Kavadarci Part of the basin	2451	488.7	25
Krivogashtani	6007	85.7	13
Krushevo	9684	183.2	19
Mogila	4536	251.2	23
Novaci	2478	754	41
Prilep	76768	1145.2	59
Rosoman	4141	132.5	10
Total	225988	4879	339

Source: (Koteski, 2011), *Basin of The Black River*, p.138

Table 2 gives an overview of data of total population according to activity in places for the municipalities belonging to the basin of the Crna Reka.

Table 2: *Data on the total population according to activity in the municipalities of the Crna Reka Basin*

Municipalities	Population (2012)	Employees	Unemployed
Bitola	98630	29251	35651
Gradsko Part of the basin	49	592	643
Demir Hisar	9497	2231	1385
Dolneni	11583	1070	2378
Drugovo Part of the basin	164	488	661
Kavadarci Part of the basin	2451	5564	5934
Krivogashtani	6007	1069	841
Krushevo	9684	1316	1493
Mogila	4536	1514	859
Novaci	2478	715	627
Prilep	76768	10930	11428
Rosoman	4141	693	572
Total	225988	55,569	64,796

Source: (Koteski, 2011), *Basin of The Black River*, p.123

Development of tourism in the region of the Crna Reka Basin

The development of tourism in the region of the Crna Reka basin depends on the appropriate natural and communal factors. In the group of natural factors, the development of tourism in the drainage-basin of the Crna Reka includes: geomorphological, hydrographic and biogeographical motives, which create quality conditions for the development of tourism. Mountains with forest complexes, clean air, natural habitats, snow cover, water flows, wildlife, richness with a wide variety of plants and plants represent the basis of seasonal tourism in the summer and winter. Potentials for creating an original tourist offer are the morphological forms in this region, namely the following mountains: Babuna, Dren, Selecka, Kozjak, Nixe, Kozuv, Baba, Bigla, Plakenska Planina, Ilina Planina, Luben, Buceva Planina and Dautica.

Significant places to visit in this area are represented by: Cersko Pole, alluvial planners and the submerging of the Cerska Reka in the protection field of the Crna Reka.

In the development of tourism in the region of the Crna Reka basin, the following factors are also common: the anthropogenes - culture-historical monuments, archaeological sites and places, the ethnological characteristics of the population, various festivals and manifestations, the transport lines, transport resources and intermediary factors, tourist agencies and various forms of SME from the field of tourism.

The impact of SMEs in the development of tourism in the region along the Crna Reka

SMEs are an important segment in the overall economic activity. The emergence and development of small enterprises in the past twenty years is closely linked to the pronounced economic and developmental dimensions and democratic social processes (Magdincheva Sh., M., Angelkova T. and Temelkov, Zoran, 2016).

The development of tourism in the Southwest part of the Republic of Macedonia, specifically in the region along the Crna Reka basin, is associated with small and medium enterprises and other alternative forms of tourism development, especially with the possibilities for creating a tourist offer and original content for tourists, relaxation and so on. Table 3 gives an overview of the number of enterprises in places for the municipalities belonging to the Crna Reka basin.

Table 3: *Number of enterprises in places for the municipalities belonging to the Crna Reka basin*

Municipality	Number of enterprises (201)	Area (in km2)
Bitola	3980	771
Gradsko part of the basin	92	27.3
DemirHisar	257	491.6
Dolneni	213	404.1
Drugovo part of the basin	58	72.8
Kavadarci part of the basin	2001	488.7

Krivogastani	122	85.7
Krusevo	269	183.2
Mogila	154	251.2
Novaci	88	754
Prilep	2888	1145.2
Rosoman	122	132.5
Total	10244	4879

Source: *www.stat.gov.mk*

The creation of an appropriate offer in the field of tourism with the application of a modern concept in the operation is carried out through the adoption of an innovative approach in the formation of tourist offer, the offer of tourist and other events, the creation of attractive tourist arrangements, implementation of innovative organizational culture in the tourist enterprises and modern management approach in operation.

The creation of an appropriate offer is related to the knowledge of the needs of tourists from a theoretical and practical point of view. From the theoretical spectrum, there are many definitions and explanations of what the needs are in the literature. Psychologist Abraham Maslov analyzes human needs in the hierarchical order, from the needs of the lowest level, to the needs of the highest level (Maslow, 1943). He concludes that when a group of needs is satisfied, it ceases to be the main motivator for human behavior. The creation of an innovative tourist offer is related to the knowledge of the practical aspects of offer, which are realized through direct methods of data collection, surveys, analyzes, research, etc. The development of tourism through small and medium-sized enterprises in this region is associated with the knowledge of practical aspects of the needs of tourists. Enrichment, creating a new tourist offer is a perspective concept of work that implies continuous research on the environment, introduction of an innovative concept by exploiting the market opportunities and innovation of entrepreneurs and using modern management approach (Magdinceva et al., 2018).

Important pre-conditions for encouraging the development concept in the work of SMEs in the field of tourism is the entrepreneurial concept in the operation. SMEs change the philosophy of work and introduce the innovative concept in operation (Magdinceva et. al., 2018).

The entrepreneurial concept in operation is recognized in the creation of an original tourism offer through continuous monitoring of the needs of tourists and application of new opportunities for development and improvement of existing resources, utilization of the available resources and minimization of the consequences of eventual failure of business activities. In today's conditions of operation, information and information technology are a key factor in the operation and planning of future business activities. The latest research shows that more than a half of people traveling, when they have the opportunity or option, pay online and use the sales and booking system (Henry, 2016). Small enterprises have a recognizable or unique advantage that is associated with efficient, informal communication, pronounced market adaptability, implementation of relatively cheaper innovation in operation and low level of administrative constraints. Small businesses work with people, while large businesses work with "systems" (Bojadzioski & Blazeska, 2009).

Opportunities for the development of tourism in the region along the Crna Reka

The relationship between tourism and small and medium-sized enterprises arises as a result of the process of connecting these two segments. Promoting the development of tourism through small and medium-sized enterprises is perceived through the factors that initiate the development of tourism and the economic benefits that arise as output values from the development of tourism. In tourism, SMEs are a key factor for the growth of tourism industry globally (Burkart & Medlik, 1974).

The characteristics of small enterprises that are expressed in the ability for flexibility in employment and the minimal resource utilization are preconditions for encouraging the development of tourism through small and medium enterprises.

SMEs are basic institutions in the market economy. The process of creating values in the market economy is realized through the activity of small and medium enterprises.

SMEs are the most efficient form for the realization of economic activities, therefore it is quite understandable why the majority of the newly created value in the national economies is realized through the operations of small and medium enterprises. Business entities, as

significant carriers of economic activity, are in fact of crucial importance for the development of the national economy, and in the Macedonian economy their establishment and functioning are regulated by the Law on Trade Companies (Law of Trade Companies, No. 28/04).

The possibilities for development of tourism in this region consist of utilization of all capacities and values for tourism development, creation of innovative tourist offer and exploitation of the advantages of small and medium enterprises in the creation of output values.

Recommendations and guidelines for tourism development through SMEs in the South-west region of the Republic of Macedonia

The Southwest region of the Republic of Macedonia has great opportunities and potential for tourism development by encouraging the process of entrepreneurship and starting a business of SMEs.

SMEs will ensure the satisfaction of various needs of visitors and/or tourists as well as local people from this region.

The existence of suitable natural tourist resources, natural beauties, clean environment, lakes, mountains, waterfalls, thermal waters, monasteries, local manifestations, healthy and traditional foods enriched with the hospitality of the inhabitants of the southeast attract the attention of tourists, bystanders and locals.

The tourist offer in this region consists of several aspects: thermo-mineral potentials, historical sites and buildings, churches and monasteries, various types of events and manifestations as well as certain tourist facilities.

The development of tourism in this region depends on the provision of certain preconditions. The basic precondition for encouraging the development of tourism in this region is the existence of an entrepreneurial culture in the creation of an appropriate tourist offer and various contents that are an integral part of the tourist offer. The advantages in the operation of small enterprises or their strengths need to be used in the direction of enriching the tourist offer and development of tourism in the Southwest region.

The establishment and improvement of work of enterprises from tourism sector imposes the implementation of original processes of work organization that are in essence based on the real situation and the opportunities for the development of enterprises. Considering the available tourist and accommodation capacities available to the Southwestern region, possible recommendations for encouraging the development of SMEs in the tourism sector would be the following: continuous research of the environment in order to meet the needs of tourists, visitors and the local population, continuous analysis of the available resources, introduction of an innovative tourist offer, provision of institutional support for the development of SMEs, application on the modern business models in operation and providing adequate financial support.

Small enterprises and their potential for continuous innovation create an opportunity for original appearance on the market and introduction of new products in different categories, creating a system of mutual interest, thus improving the economic values at the local, regional and state levels.

Conclusion

Tourism is a sector that fosters economic development and plays a major role in creating the labor market and the establishment of enterprises in the tourism sector, especially enterprises specializing in certain services. The relationship between tourism and small and medium-sized enterprises arises as a result of the process of connecting these two segments. Small and medium-sized enterprises are basic institutions in the market economy. The process of creating values in the market economy is realized through the activity of small and medium enterprises. The positive impact of SMEs is perceived through the expressed values of the gross domestic product of the Republic of Macedonia and data on the number of SMEs of employees in the Republic of Macedonia for the period 2013-2017. SMEs are an important segment in the overall economic activity. As carriers of economic activity and economic development, they are usually associated with entrepreneurship and entrepreneurial initiative.

Small enterprises are becoming a key factor in terms of creating greater opportunities for tourism development and improving the situation of the local population in the Southwestern part of the Republic of Macedonia, specifically the population living in the region of the Crna Reka basin.

The catchment area of the Crna Reka in the Republic of Macedonia has a total area of 4869.72 km². In this region there are 339 settlements that are divided into Vardar, Southwest and Pelagonia regions (Koteski, 2010). The region is characterized by natural beauties, clean environment rich in mountains, waterfalls, thermal waters, ethno villages, monasteries that are a prerequisite for tourism development and the potential for forming an original tourist offer in this sector.

The development of tourism in the region of the Crna Reka basin depends on the appropriate natural and social factors (Koteski, 2010). SMEs as a factor for tourism development belong to the group of social factors. The development of tourism in the Southwest part of the Republic of Macedonia, specifically in the region along the Crna Reka basin, is associated with small and medium enterprises and other alternative forms of tourism development, especially with the possibilities for creating tourist offer and original content for tourists.

Through the tourism and creation of an appropriate tourist offer, the development processes within the national economy are stimulated, the natural and cultural heritage is nurtured contributing to the national integration of people.

The analyzes carried out confirm the basic hypothesis that SMEs represent incentives for the development of tourism in the region in the basin of Crna Reka. The basic precondition for encouraging the development of tourism in this region is the existence of an entrepreneurial culture in the creation of an appropriate tourist offer and the various contents that are an integral part of the tourist offer. The advantages in the operation of small enterprises or their strengths need to be used in the direction of enriching the tourist offer and development of tourism in the Southwest region.

Acknowledgements

This scientific paper is financed of the research project "Possibilities and Perspectives for the Development of Tourism in the Black River Basin" funded by Goce Delcev University - Stip, Macedonia (Contract No. 0206-151/16, 0201-545/9 and 0307-98/77 from 01.11.2017) and the Senate Decision No. 0201-922 / 30 of 21 November 2018.

References

1. Bojadjioski, D., Blazeska, O., (2009). *Economics of Enterprise*, Faculty of Economics, Skopje, 35-50
2. Burkart, A., J., Medlik, S. (1974). *Tourism. Past, Present and Future*, London: Heinemann, 80-95
3. Henry, B. (2016). *Tippie School of Management Nihar Patel*, Online Travel Agencies.
4. Magdinceva. S., Marija and Dimitrov. Nikola and Josheski. Dushko and Elenov, Risto and Stojanovska-Stefanova, Aneta (2018). *Innovative management concept as possibility for development of tourism in the Republic of Macedonia. International Journal Knowledge*, Vol. 26, No. 1, 83-89.
5. Magdinceva Sopova, Marija and Angelkova, Tanja and Temelkov, Zoran (2016). *The impact of small and medium sized enterprises (SMS) in the development of sports tourism in the municipality of Doiran, Republic of Macedonia. Economic Development. Journal of the Institute of Economics - Skopje* (3/2016), 354-365. ISSN 1857-7741
6. Maslow, A., H.(1943). A theory of human motivation. *Psychological Review*, Vol. 50, No. 4, 370-396.
7. Mukinovic, Lj. (1990). Modern vocabulary of foreign words and expressions. *Our book*, Skopje, 602
8. Kim, H., Woo, E., Uysal, M. (2015). Tourism experience and quality of life among elderly tourists. *Tourism Management*, Vol. 46, 465–476
9. Koteski, C. (2010). *Settlements in Mariovo Raechka Valley and their thematic cartographic representation. Bulletin of Papers ASA*, 253-263.
10. Koteski, C. (2011). *Basin of the Black River*, Shtip, ISBN 978-608-4662-03-7, 138-258.
11. Koteski, C., Jakovlev, Z., Dimitrov, N., Bardarova, S., Koteski, G. (2014). *Construction and meaning micro reservoirs for agricultural development in the municipalities of Prilep, Dolneni and Krivogastani in*

Macedonia, Third international conference geographical sciences and education, 12 Sept 2014, Shumen, Bulgaria.

12. State Statistical Office - Published data on Decembar 30, 2018 and Decembar 31, 2018.

13. (Law of Trade Companies, No.28/04)

HOW TO PLAN THE DEVELOPMENT OF CYCLE TOURISM? – EXAMPLE OF ISTRIA COUNTY

Kristina Brščić¹; Katarina Lovrečić²;

Abstract

Cycle tourism is one of the most interesting tourism products because it can be developed in very different regions. Over the last few years within the framework of European projects, national and regional organisations, international routes like EuroVelo and other routes and trails from local to international level have been developed and promoted. The objective of this paper is to summarise the lessons from the creation of an operational plan for cycle tourism at regional level in the case of Istria County. Istria County, as the most developed tourist county in Croatia, began to develop cycle tourism in the middle of the nineties of the last century. Compared to other regions in Croatia, the County of Istria has many cycling trails and routes. Also, for a growing number of tourists, cycling is one of the important motives for their arrival in Istria. In the design of the cycle tourism development plan, a number of stakeholders were involved. The involvement of stakeholders was very important since the development of cycle tourism can have a significant impact on a large number of stakeholders in the region.

Key Words: *cycle tourism, sustainable development, sustainable tourism, Istria County*

JEL classification: *R58, Z32, L83, P48*

Introduction

Tourism is one of the most important industries in the world and, in 2017, 10% of the world GDP was generated from tourism. As UNWTO (2019) indicated, the contribution of tourism to economic well-being depends on

¹ Kristina Brščić / PhD, Head of Department of Tourism, Institute of Agriculture and Tourism, Karla Huguesa 8, Poreč, Croatia, phone:+385(0)52 408 303, e-mail: kristina@iptpo.hr

² Katarina Lovrečić, M. oec., Expert Associate, Department of Tourism, Institute of Agriculture and Tourism, Karla Huguesa 8, Poreč, Croatia, phone: +385(0)52 408 308, katarina@iptpo.hr

the quality of the tourism offer. As a result of tourists' expectations, destinations try to develop and promote sustainable tourism taking account of the economic, social and environmental impact that tourism has on local communities and visitors. Cycling tourism is one of the forms of tourism that is promoted as sustainable tourism. As Gazzola et al. (2018) emphasise, the development of cycle tourism in areas not characterised by mass tourism have an economic, social and environmental benefit on the area. Cycle tourism can be developed in a rural or non-rural area that has preserved social and environmental values, which are an important part of cycle tourism (Gazzola et al., 2018).

Some authors indicated twenty years ago, but the same applies today, that renovation and rejuvenation of rural areas with a preserved tradition, environment and social dimension in cycle tourism destinations could solve the problem of their decay and cycle tourists would be able to enjoy diversified areas (Ritchie, 1998; Ritchie & Hall, 1999).

Cycling is a form of slow tourism that allows visitors to enjoy and, at the same time, to preserve the environment, which is the main attraction for cycle tourists (Pavione & Pezzeti, 2016b).

Therefore it can be said that cycle tourism is in line with the sustainable tourism task if it is developed in the direction of minimising the negative side of tourism and with the aim of a long-term positive effect (Liu, 2003).

Understanding the importance of cycle tourism in Istria as an important tourist product of the destination began in the middle of 1990s and today Istria region is the most developed tourist region in Croatia with the most developed offer of cycle tourism products. Since 2015, Croatia has developed the Action plan for the development of cycle tourism in Croatia (Ministry of Tourism, 2015) with the aim to further plan and promote cycle tourism as an important part of the Croatian tourism offer. The main activities of the plan are to stimulate the development of Operational plans for the development of cycle tourism at regional levels. First they stimulate inland counties to create Operational plans for their areas and then coastal counties, the most developed tourist areas of Croatia. In the paper, the process of development of the Operational plan is presented for development of cycle tourism in Istria County (Plan) which was finalised in January 2019 and plans activities until 2025.

Literature Review

Cycle Tourism as a Part of Sustainable Tourism

The development of a tourism destination must be created with regard to the environmental socio-cultural and economic effects which tourism activity has on a destination. If tourism activity is developed in an inadequate way, taking into account the primary features of the destination, the result will be diversified products that will provide tourists with new experiences (Abdelati & Bramwell, 2015; Pavione & Pezzeti, 2016a; Pavione et al., 2017). Cycle tourism is one way to diversify the tourism product of a destination.

The popularity and understanding of the importance of cycling tourism has been growing (Faulks et al., 2008; Downward et al. 2009; Lumsdon, 2009) and there are numerous destinations which want to join the trend of cycling tourism development due to many positive aspects that cycle tourism has on a destination development or as a motive for tourist arrival. In the last twenty years cycling tourism in Europe has increased and, as Deenihan & Caulfield (2014) mention, for example, between 2006 and 2011, cycling in Dublin increased by 45%. The development of cycle tourism has a positive influence on a destination, because destinations become more interesting to tourists, but it also has a positive impact on local residents (Rotar et al, 2012; Cope, 2003).

For the purpose of defining the term a cycling tourist, it is necessary to divide bicycle tourists with regard to the intensity of their cycling and the motives for their arrival at the destination (Kovačić, 2015). So, there are two extreme limits of cycle or bicycle tourists. On the one side, there are the hard-cycling tourists, who are cycling all the time, and their motive for choosing and arriving at a destination is cycling tourism, and, from the aspect of a holiday, the name of this type is cycling holiday (Simonsen et al., 1998, Keeling, 1999). On the other hand, there are cyclists who occasionally use bicycles for the purposes of transport or as an additional activity on the holiday in their leisure time and the name of this kind of holiday is cycling day visits. The largest number of cycle tourists is in the middle between these extremes; tourists for whom biking is an important part of the vacation, and who use a bicycle for the purposes of transport and those who are cycling while on holiday (Simonsen et al., 1998; Keeling, 1999).

Cycle tourism, as an important part of sustainable tourism, needs to be developed in the direction that will result in a complete cycle tourist offer and it is good that the local residents recognise the needs and wishes of cycle tourists (Rotar et al., 2012). A well-developed cycling infrastructure motivates and encourages cycle tourists to cycle for the purposes of leisure and recreation (Lamont, 2009), as a means of transportation (Pavione et al., 2017; Gazzola et al., 2018) or for competition (Simeoni & Crescenzo, 2018). Cycle tourism can be a driver for destination development (Gazzola et al., 2018) but it is very important that all stakeholders use the initiatives in cycle tourism to develop destinations in a sustainable and responsible way (Rotar et al., 2012; Simeoni & Crescenzo, 2018).

Strategic framework for Cycle Tourism in Croatia

For the development of cycle tourism, it is necessary to have co-operation between different stakeholders in destinations. Also, national and regional institutions need to be involved and they are the basis for the development of cycle tourism (Pavione & Pezzetti, 2016a). The above mentioned is the basis for the development of cycle tourism in a destination (Malucelli et al., 2015) or in cross-border cooperation (Stoffelen, 2018) and in development of international cycle routes. Cooperation between different regions and countries is very important for cycle tourism. In previous years many different initiatives have tried to improve the infrastructure and other facilities specially designed for cycle tourism. One of the best known is EuroVelo, which is a bicycle network consisting of 15 long distance cycling routes connecting the European continent. The purpose and aim of the project, led by the European Cyclists' Federation, in cooperation with national and regional partners, is linking the whole European continent with cycling routes. In 2016 in Croatia, the Coordination for the development of cycling tourism was established, which carries out the activities of the EuroVelo project. Four EuroVelo routes: EV6 - Atlantic - Black Sea Route, EV8 - Mediterranean Route, EV9 - Baltic - Adriatic and EV13 - Iron Curtain Trail pass through Croatia. Two EuroVelo routes, Mediterranean route EV8 and Baltic – Adriatic EV9 pass through Istria County. The aim is to strengthen cycle tourism in Istria County and to connect the existing county and local cycle routes with the EuroVelo routes, as well as to develop and maintain them according to the EuroVelo criteria, which are: safety, comfort, coherence and attractiveness of cycling routes (EuroVelo – the European

cycle route network;³ Coordination for the development of cycling tourism)⁴. Given the above mentioned, Croatia is a destination that has very good potential to be an important cycle destination.

The strategic framework of cycle tourism development in Croatia is planned under the umbrella of the Ministry of Tourism and the Croatian National Tourist Board. Croatian Tourism Development Strategy until 2020 and Action Plan for the Development of Cycle Tourism highlight the importance of cycle tourism as a part of sustainable tourism, whose development enriches the tourist offer of the destination and has an important positive multiplicative effect for the local population. The advantages of Croatia as a cycle tourism destination are the favourable climate, attractive and diverse natural environment, rich cultural and historical heritage, proximity to large markets, country security and many roads that are not traffic intensive. These are the values in the focus of cycle tourist interest. In many cases large capital investments in a destination are not important for cycle tourism. Most important for cycle tourists are the avoidance of traffic intensive roads that will, by their dense and intense traffic, endanger their safety (Ministry of Tourism, 2015; Malucelli et al., 2015; Deenihan & Caulfield, 2014; Boettge et al., 2017). In this sense, the main problem and obstacle to the development of cycle tourism in Croatia is the cycle tourism infrastructure (Ministry of Tourism, 2015, Ministry of Tourism, 2013). The planning of infrastructure projects for cycle tourism must be planned with regard to leisure or transport, considering different preferences of users (Malucelli et al., 2015).

The Tourism Development Strategy of the Republic of Croatia cites cycle tourism as a separate tourist product, mainly for tourists between 18-25 and 25-34 years of age as the primary segment for cycle tourism products. According to the Strategy, cycle tourism is also a primary tourism product in Istria County (Ministry of Tourism, 2013). Likewise, Croatia's Tourism Development Strategy in the portfolio matrix of Croatian tourist products states that cycle tourism is the most attractive tourist product after nautical tourism and the segment of sun and sea tourism, as the most competitive tourism product. In addition, Istria County is the most developed cycle tourism destination in the Republic of Croatia. With the aim of further development of cycle tourism in Istria County in 2019, the

³ <http://www.eurovelo.com/en>

⁴ <https://cikloturizam.hr/>

Operational plan for cycle tourism development in Istria County for the period 2019 – 2025 was created. The difference between the Istria Operational plan and other Operational plans in Croatia is that the former is made for seven-year period, whereas the latter are only two-year plans. Hence, Istria County has developed the Master plan for tourism development of Istria County (Istria Tourist Board, 2015), which also plans tourism activities until 2025 in which development of cycle tourism is also included.

Methodology

Steps in Creation of Cycle Tourism Development Plan in Istria County

Regardless of the fact that Istria County is the most developed tourism county in Croatia, it needs to face the new challenges and to further develop tourism products with the aim of being a recognisable cycle tourism destination, in line with other developed European destinations. Many stakeholders were included in the development of the Plan in Istria County. As the support of decision makers was considerable, it was very important to include them. The existing literature and strategic plans at national, regional and local levels were first analysed in the paper. Since the Croatian Ministry of Tourism supported the development of the Plan, a top-down approach at the beginning of the project was applied. In the next phase a bottom-up approach was used. At the beginning of the project, the first step was to inform the stakeholders about the initiative and the project, so the idea of the development of the Plan was presented in the media. After that, a questionnaire for different stakeholders was developed. The questionnaire was divided into seven parts. The first part was a short introduction providing the reasons of the Plan development, explaining the ways of the stakeholders' engagement in the project, stating the reasons of their involvement and defining who would develop the Plan. The next five parts were created according to the framework design by the Ministry of Tourism, which was obligatory for the development of the Plan, and consisted of: planned projects of investment in cycle infrastructure, projects that were related to legislation (obstacles and improvements needed), projects related to education, projects related to the enhancement of cycle tourism offer and projects related to information and marketing of cycle tourism in the planned period. In these five questions, the stakeholders were asked to indicate the topic, what was necessary for the realisation of the project idea, which activities

needed to be carried out, the necessary financial resources for the realisation of the projects, sources of financing, time frame for plan implementation of the project and priority (on three levels). The seventh part of the questionnaire asked for their opinions. They were asked to identify what the main advantages and disadvantages of cycle tourism development in Istria County were and if they had any additional plans for their area. Based on the information obtained, a SWOT analysis was created (Bršćić et al., 2019).

The questionnaire was sent to 114 cycle tourism stakeholders and most of them participated in the project. The stakeholders were: officers in the cities, municipalities and tourist boards, bike clubs, hotel companies, Administrative Department for Tourism, Administrative Department for Sustainable Management, Department for Maritime Affairs Traffic and Communications, Department for Nature and Environmental protection, The County Roads Administration of Istria County, Istrian Tourism Development Agency (IRTA), Istrian Development Agency (IDA), Croatian Forests Ltd., Učka Nature Park, Public Institution of Kamenjak and Brijuni National Park. The next steps were divided into three phases. The first phase was to connect with stakeholders and include them in the creation of the Plan through the survey. After that, the collected data from stakeholders was analysed and presented in a workshop where additional comments and input were added. Next, all the ideas collected were analysed and vision, mission and measures were suggested. The third phase included the organisation of a second workshop where all this was presented to the stakeholders and discussed with them. After its completion, the plan is to be presented to the public, with the possibility of additional consultation with all interested parties over a period of 30 days.

Results

Istria County as a Cycle Tourism Region

The County of Istria has 2,820 square kilometres but Istria is geographically very diverse and climate-friendly for the development of cycle tourism. The number of inhabitants in Istria is 208,055 according to the Census from 2011, which is 4.85% of the total population of the Republic of Croatia (Istria County, 2019). The geographical position of Istria County can be seen in Figure 1.

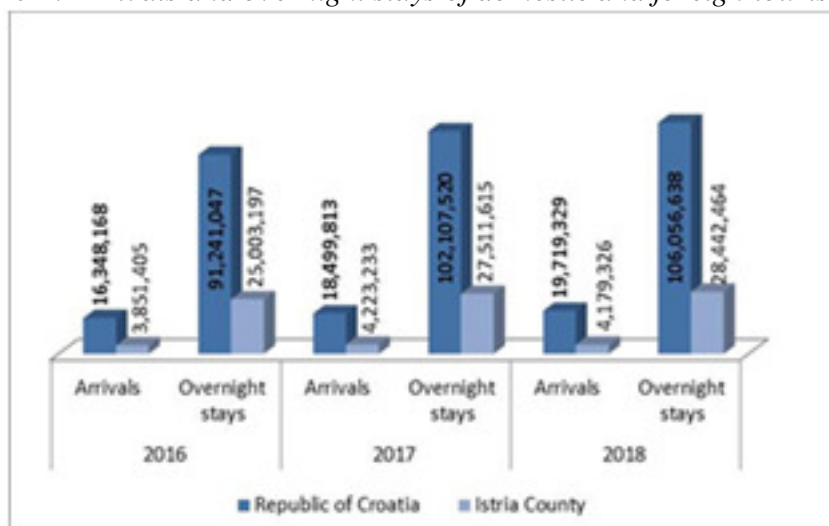
Figure 1: *Geographical position of Istria County*



Source: *Istria County*, <http://www.istra-istria.hr/index.php?id=263>

Istria County has long been the leading tourist region in Croatia. In 2018, the total number of overnight stays in Croatia was 106,056,638 with a total of 19,719,329 arrivals. On average, about 30% of tourist traffic is realised in Istria County and, in 2018, 26.64% of the total number of overnight stays in Croatia were realised in Istria County and most of the visitors were German, Austrian, Slovene and Italian tourists (CNTB, 2019).

Figure 2: *Arrivals and overnight stays of domestic and foreign tourists*

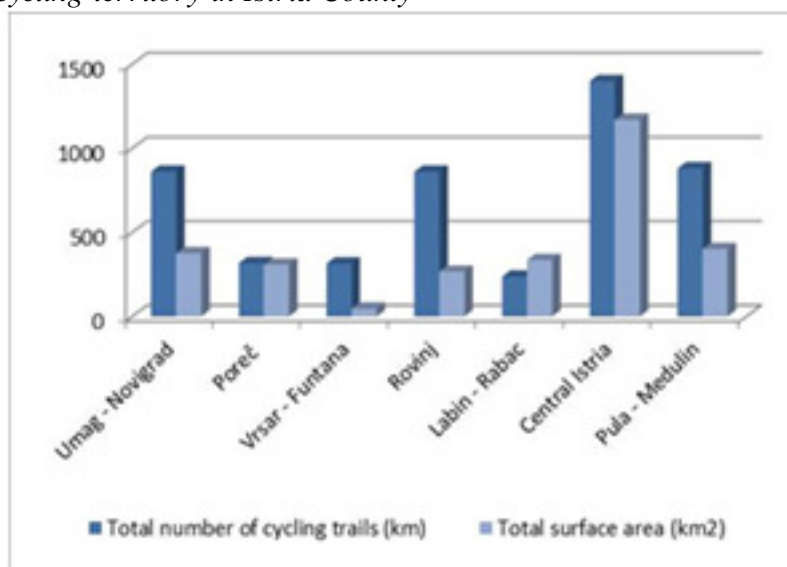


Source: *Croatian National Tourist Board*, <https://www.htz.hr/hr-HR/informacije-o-trzistima/informacije-o-tijeku-sezone>

The attraction of bicycle routes is reflected in the content of what the routes can offer and how attractions are, or can be, connected (Černá et al., 2014). Istria as a destination with many cultural sights, traditions, monuments and landscapes can easily link these destination contents which make cycling attractive.

On the destination web site of Istra Bike, the central point and destination management organisation for cycle tourism, all cycling routes have been listed and promoted, with their corresponding descriptions: their level of difficulty, surface type, type of trail, estimated cycling time and interesting things to see and the region is divided into seven sub-regions that offer different experiences. In 2018, Istria had a total of 147 cycle trails and routes (Figure 3) or more than 4,800 kilometers of cycling trails (Istra Bike, 2018).

Figure 3: *Total number of kilometers of cycling trails and total km² per each cycling territory in Istria County*

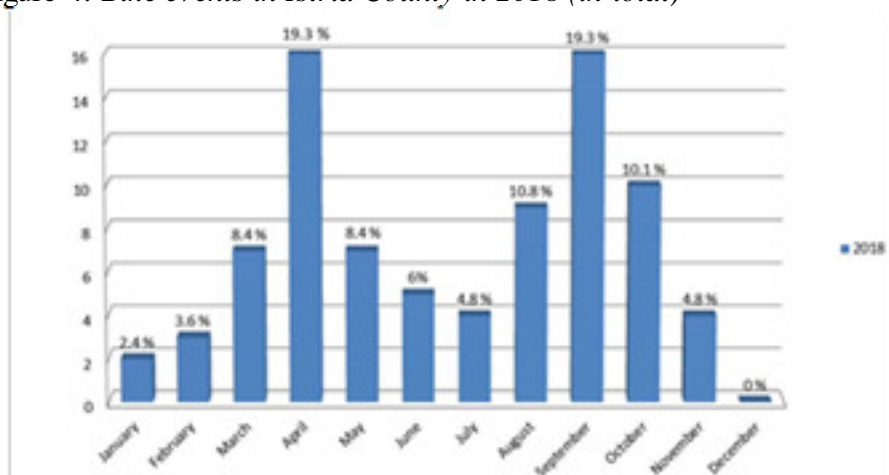


Source: *Istra Bike*, <http://www.istria-bike.com/hr/manifestacije>; and *Istria County*, <https://www.istra-istria.hr/index.php?id=425>

The Standards for Coordinated Cycle Tourism Development in Istria were made with the aim of developing cycle tourism in 2008. Its purpose was to provide standardised instructions for bicycle signalling, tables, maps and similar (IRTA, 2017). Due to the growing popularity of cycle tourism, changing lifestyles and types of holiday by an increasing number of people, Istra Bike & Outdoor DMC (Destination Management Company) department was founded in 2014. It was established with the aim of developing and promoting this segment of tourism in Istria region (Istra outdoor, 2018).

During 2018, 83 cycling events were organised in Istria County. Istria, as a summer tourist region, faces the problem of seasonality and overcapacity during the summer months. Most cycling events were organised in April and September, which is a good way of prolonging the season (Figure 4).

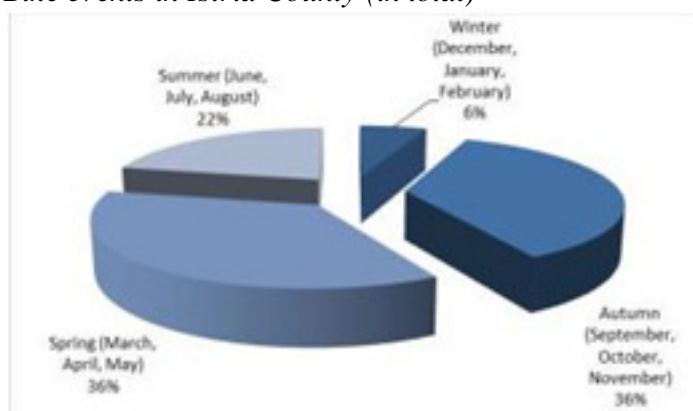
Figure 4: *Bike events in Istria County in 2018 (in total)*



Source: *Istra Bike*, <http://www.istria-bike.com/en/events>

At that time, the main roads are less crowded, and the temperatures are lower than during the main tourist season. All the above mentioned advantages influence and support the development of cycle tourism in the region.

Figure 5: *Bike events in Istria County (in total)*



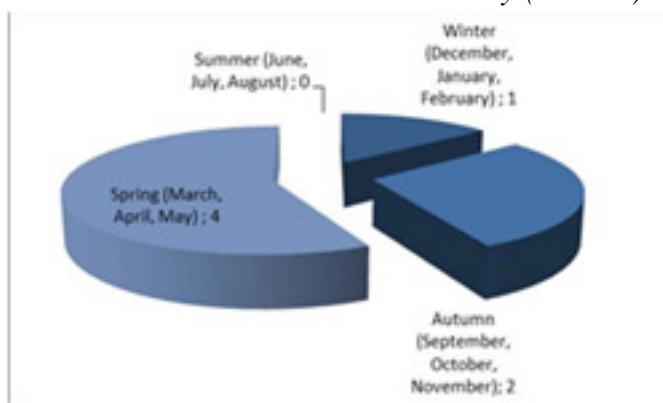
Source: *Istra Bike*, <http://www.istria-bike.com/en/events>

Further analysing the times of the events organised in 2018 (Figure 5), it can be concluded that the most interesting times for cycle events were

autumn and spring, so cycle tourism can be a good way to affect seasonality reduction.

Since Istria region is a recognisable and developed tourist region, some of the International bike events were organised in Istria County. In total 7 international events (races) were organised in Istria County in 2018 (Figure 6).

Figure 6: *International bike events in Istria County (in 2018)*



Source: *Istra Bike*, <http://www.istria-bike.com/en/events>

According to the TOMAS research carried out in 2017, 23.5% of Istrian tourists mentioned cycling as a holiday activity, which is the highest result in comparison to other coastal counties in Croatia. Tourists who stayed in Istria County in 2017 stated that in 25.4% of cases they used a bicycle as a means of transport. Average bicycle use, as a form of transport, in other coastal destinations in Croatia, was 15.3% (TOMAS, 2017).

Planned Measures for Future Development of Cycle Tourism

The main goals of the future development of Istria County were summarised as the results of the project planned by stakeholders in the region. The main goal was to improve the quality of infrastructure. This is important for the quality of the existing roads as well as for the diversification of the cycle tourism product in the region. The second important goal is to position the region as an attractive cycle tourism destination. Other goals were to prolong the season, and the time which tourists spend in the area and to improve the safety of the roads for the satisfaction of tourists as well as local residents. Additionally, it affects

the repeated arrival of tourists, increases tourist spending and promotes cycling among local residents. With the aim to fulfil these goals, six measures were agreed on: investment in cycle infrastructure, development of bike share system of bicycles and electric bicycles, better cooperation between different stakeholders for the improvement of organisation, standards and management at the regional level, education of stakeholders and local residents about safety regulations, enhancement of cycle tourist offer and improvement of information and promotional activities (Brščić et al., 2019).

In relation to the above mentioned, the model which needs to be considered in development of cycle tourism in destinations can be summarised in the graphical model which can be seen in Figure 7. The model could be used for any destination which wants to develop cycle tourism.

Figure 7: *Model of cycle tourism development plan for tourism destinations*



Source: Created by authors according to the Operational Plan for the Development of Cycle Tourism for the Istrian County for the period from 2019 to 2025

Conclusion

The lessons learnt from the research and the example of Istria County can be summarised in several concluding remarks. For the development of cycle tourism in some destinations it is necessary to use both a top-down and bottom-up approaches. The top-down approach needs to be implemented from the national and/or regional levels. They need to create the standards and to define the basic framework for cycle tourism development. The bottom-up approach is necessary to identify advantages and disadvantages and to create common goals of the stakeholders in the region. As many researchers point out, cycle tourism is a form of sustainable tourism and can be developed as special interest tourism. It can be developed in such a way as to create an additional offer in the region or just as one of the facilities in the destination. In this process, decision makers need to be involved and stimulate locals to implement their ideas so that cycle tourism can be developed in a way that will benefit and be used by local residents and communities. The development of cycle tourism can contribute to the destinations in many ways, bringing new opportunities for entrepreneurs. The new entrepreneurs need to be encouraged to implement new ideas in the development of cycle tourism in the region. In this way, cycle tourism can contribute to the destination in multiple ways, creating new jobs and life in areas which have not developed tourism activity. Istria County is a developed tourist region, but many improvements need to be carried out if it wishes to develop cycle tourism in a sustainable and responsible way. In Europe, there is a growing demand for cycle tourism, but little is known about the preferences and needs as well as the satisfaction of users of cycle tourism. Users' perception and satisfaction are important indicators in the development of tourism product and planning of tourism activity in the destination (Bršćić et al. 2016; Bršćić et al. 2018). These indicators are necessary for the future development of cycle tourism. It is also wise to consider the opinions of local residents about the development of cycle tourism in their region so that it can be developed in a sustainable and responsible way.

In the development of the Operational plan different stakeholders have had a different level of involvement and perception of cycle tourism development and that was a limitation in the undertaken research. This limitation was tried to be overcome by organising the workshops to clarify the ideas, so that the stakeholders are better understood by each

other. In the end, the stakeholders have accepted the development plan by signing the document.

For future research, it would be useful to carry out the research with the users of the cycle tourism product and develop the cycle tourism product according to their needs. Also, it would be wise to obtain the opinion of local residents about the cycle tourism product. All these elements, together with monitoring of realisation of the development plan, are necessary for the development of cycle tourism in a sustainable way.

Funding

The research presented in the paper was co-financed by the Administrative Department for Tourism of Istria Region and the Ministry of Tourism of the Republic of Croatia.

References

1. Abdelati M. Benur, Bramwell, B. (2015). Tourism product development and product diversification in destinations. *Tourism Management*, Vol. 50, 213-224.
2. Boettege, B., Hall, D. M., Crawford, T. (2017). Assessing the Bicycle Network in St. Louis: A Place-Based User-Centered Approach. *Sustainability*, Vol. 9, No. 241, 1-18.
3. Brščić, K., Dropulić Ružić, M., Poljuha, D., Sladonja, B., Šugar, T., Trošt Lesić, K. (2016). *Plaže proizvod turističkog odredišta, Stavovi i zadovoljstvo korisnika plaža u Istarskoj županiji*; urednica: Brščić, K.; recenzenti: Ružić, D. i Ružić, P. Izdavači: Institut za poljoprivredu i turizam, Upravni odjel za turizam Istarske županije, Poreč, srpanj 2016, ISBN 978-953-7296-14-8
4. Brščić, K., Šugar, T., Ružić, D. (2018). Tourists' Perceptions of Destinations – Empirical Study of Destination Poreč // *Interdisciplinary Management Research XIV* / Barković, D.; Crnković, B.; Dernoscheg, K. – H.; Pap, N.; Runzheimer, B.; Wentzel, D. (ur.). Osijek: Josip Juraj Strossmayer University of Osijek, Faculty of Economics in Osijek Croatia, Postgraduate Doctoral Study Program in Management Hochschule Pforzheim University Croatian Academy of Sciences and Arts, 2018, 97-111.

5. Bršćić, K., Šugar, T., Lovrečić, K. (2019). *Operativni plan razvoja cikloturizma Istarske županije za razdoblje od 2019. do 2025. godine*, naručitelj: Upravni odjel za turizam Istarske županije, Institut za poljoprivredu i turizam, Poreč.
6. Cikloturizam.hr, <https://cikloturizam.hr/eurovelo/>, (21st February 2019).
7. Cope, A., Cairns, S., Fox, K., Lawlor, D.A., Lockie, M., Lumsdon, L., Riddoch, C., Rosen, P. (2003). The UK National Cycle Network: an assessment of the benefits of a sustainable transport infrastructure. *Conference "Tourism & Hospitality Research in Ireland Conference"*, Vol. 9, No. 1, 6-17.
8. CNTB (2019) Croatian National Tourist Board, <https://www.htz.hr/hr-HR/informacije-o-trzistima/informacije-o-tijeku-sezone>, (21st February 2019).
9. Černá, A., Černý, J., Malucelli, F., Nonat, M., Polena, L., Giovannini, A., (2014). Designing optimal routes for cycle-tourists. *Transportation Research Procedia*. Vol. 3, 856-865.
10. Deenihan, G., Caulfield, B. (2014). Do tourists value different levels of cycling infrastructure? *Tourism Management*, Vol. 46, 92-101.
11. Downward, P., Lumsdon, P., Weston, R. (2009). Visitor Expenditure: The Case of Cycle Recreation and Tourism. *Journal of Sport & Tourism*. Vol. 14, No. 1, 25–42.
12. EuroVelo.com, <http://www.eurovelo.com/en>, (21st February 2019).
13. Faulks, P., Ritchie, B., Dodd, J. (2008). Bicycle tourism as an opportunity for re-creation and restoration? Investigating the motivations of bike ride participants. *New Zealand Tourism and Hospitality Research Conference*, New Zealand, Vol. 23, 1-27.
14. Gazzola, P., Pavione, E., Grechi, D., Ossola, P. (2018). Cycle Tourism as a Driver for the Sustainable Development of Little-Known or Remote Territories: The Experience of the Apennine Regions of Northern Italy. *Sustainability*, Vol. 10, No. 6, 1-19.

15. Istrian County, Zemljopisni podaci, <https://www.istra-istria.hr/index.php?id=263>, (11 February 2019).
16. Istrian Tourism Development Agency IRTA (2017). *Smjernice za unaprjeđenje cestovnih biciklističkih prometnica u Istri*. Istrian Tourism Development Agency IRTA.
17. Istra Bike (2018), <http://www.istria-bike.com/hr/naslovna>, (11th December 2018).
18. Istra Outdoor (2019), <http://www.istria-outdoor.com/en/>, (11th February 2019).
19. Istria Tourist Board (2015). *Master plan of tourism*, Istria Tourist Board, file:///C:/Users/kristina/Downloads/Master_Plan_Turizma_Istarske_Zupanije_2015-2025.pdf, (1st February 2019)
20. Keeling, A. (1999). Cycle tourism, <http://www.tourisminsights.info/ONLINEPUB/ONLINEP/PDFS/SUSTRAN/SUSTRANS%20-%20CYCLE%20TOURISM.pdf> (7th February 2019).
21. Kovačić, N. (2015). Profiling bicycle tourists: A Case of Croatia. *Tourism and Hospitality Management*, Vol. 21, No. 2, 159-177.
22. Lamont, M. (2009). Reinventing the Wheel: A Definitional Discussion of Bicycle Tourism. *Journal of Sport & Tourism*, Vol. 14, No. 1, 5-23.
23. Liu, Z. (2003). Sustainable Tourism Development: A Critique. *Journal of Sustainable Tourism*, Vol. 11, No. 6, 459-475.
24. Lumsdon, L. (2009). Transport and Tourism: Cycle Tourism – A Model for Sustainable Development? *Journal of Sustainable Tourism*. Vol, 8, No. 5, 361-377.
25. Malucelli, F., Giovannini, A., Nonato, M. (2015). Designing single origin-destination itineraries for several classes of cycle-tourists. *Transportation Research Procedia*, Vol. 10, 413-422.
26. Ministry of Tourism (2015). Action plan for the development of cyclotourism in Croatia. Ministry of Tourism, <https://mint.gov.hr/>

UserDocsImages//arhiva//151014_AP_ciklotuirizam.pdf (1st February 2019).

27. Ministry of Tourism (2013). Croatian Tourism Development Strategy until 2020, Ministry of Tourism, <https://mint.gov.hr/UserDocsImages//arhiva//Strategija-turizam-2020-editfinal.pdf> (1st February 2019).

28. Pavione, E., Pezzetti, R., Gazzola, P. (2017). The Role of "Slow Territories" in the Development of Sustainable Tourism. *European Scientific Journal*, Vol. 13, No. 12, 239-248.

29. Pavione, E., Pezzetti, R. (2016 a). Evolution of tourism demand and development of sustainable tourism: what impact on tourist destinations? *International Academic Conference "Opportunities and risk in the contemporary business environment"*, Bucharest, 986.

30. Pavione, E., Pezzetti, R. (2016 b). Cycle tourism as a form of sustainable tourism: the importance of a policy for its enhancement. *Sustainability*, Vol. 10, 1-19.

31. Ritchie, W. B. (1998). Bicycle tourism in the South Island of New Zealand: planning and management issues. *Tourism Management*, Vol. 19, No. 6, 567-582.

32. Ritchie, W.B., Hall, C. M. (1999). Bicycle Tourism and Regional Development: A New Zealand Case Study. *Anatolia*, Vol. 10, No. 2, 89-112.

33. Rotar, J. Gantar, A., Kočiš, D., Pehnec, M. (2012). *How to develop cycle tourism?*, Rotar, J. (editor) http://www.bicy.it/docs/35/How_to_develop_cycle_tourism_ang.pdf, (1st February 2019).

34. Simonsen, P.S., Jørgensen, B. Robbins, D. (1998). *Cycling tourism*, Unit of Tourism Research at Research Centre of Bornholm.

35. Simeoni, F., De Crescenzo, V. (2018). Eco museums (on Clean Energy), Cycle Tourism and Civic Crowdfunding: A New Match for Sustainability. *Sustainability*, Vol. 10, No. 3, 1-16.

36. Stoffelen, A. (2018). Tourism trails as tools for cross-border integration: A best practice case study of the Vennbahn cycling route. *Annals of Tourism Research*, Vol. 73, 91–102.
37. TOMASLjeto (2017). *Stavovi i potrošnja turista u Hrvatskoj*, Institut za turizam, Zagreb.
38. UNWTO (2019). Tourism – an economic and social phenomenon, <http://www2.unwto.org/content/why-tourism>, (1st March 2019).

ECONOMIC ANALYSIS OF FACTORS AFFECTING THE DEMAND FOR DESTINATION DEVELOPMENT

Svetlana Ignjatijević¹; Jelena Vapa Tankosić²;

Abstract

The subject of the research is to determine which respondents' perceptions regarding the main features of legal, economic, sociological, cultural, historical and natural characteristics of the Republic of Serbia predict the selection of Serbia as a desirable destination for providing medical tourism services. In this paper, a survey method was used on a sample of 365 respondents. The majority of respondents in the sample were at the age group of 41-50 years of age, almost equally represented by men and women, with the highest percentage of the average income ranging from €2,001-4,000, who finished secondary school and faculty, married, speaking mostly English, Norwegian, Italian and German. The statistical method applied was Paired Paired-Samples T Test, Factor analysis, and Logistic Regression. An analysis of the above findings points to the conclusion that foreign patients, users of medical tourism services, are not sufficiently informed about Serbia as a medical tourism destination, having mostly negative or insufficiently positive perceptions. The findings indicate that perceptions of the quality of human resources in tourism, such as medical staff politeness, quality education, and good living conditions can positively influence the desirability of Serbia as a medical destination.

Key Words: *consumer's perceptions, medical treatment in Serbia, consumption of medical tourism services, medical tourism*

JEL classification: *I15, L83, Z32*

¹ Svetlana Ignjatijević, Ph.D., Associate Professor, Faculty of Economics and Engineering, Management, Cvečarska 2, 21000 Novi Sad, Serbia, ceca@fimek.edu.rs

² Jelena Vapa-Tankosić, Ph.D., Associate Professor, Faculty of Economics and Engineering, Management, Cvečarska 2, 21000 Novi Sad, Serbia, jvapa@fimek.edu.rs

Introduction

Medical tourism attracts growing attention all over the world and in the countries of Western Balkans. As a separate distinctive branch of tourism, with a surprising trend of growth and development in the world, the demand for medical tourism services is constantly raising. More and more young people are using these services, especially in the area of medical tourism (aesthetic surgery and sex change). Countries with medical tourism potential must respond quickly to the needs of this market and pursue destination development through understanding medical tourists' expectations. Due to low prices of hospitality and medical services in Serbia, health tourism is developing and in the last couple of years it has registered positive results. The majority of respondents, in addition to using medical services, came to Serbia to visit a friend or relatives and decided to use medical services in Serbia at the recommendation of friends and relatives, while the rest of them have decided on the basis of the Internet updates (Ignjatijević et al., 2017).

In the Strategy of Tourism Development of the Republic of Serbia for the period of 2016 - 2025 medical tourism has been outlined as one of the promising strategic tourism products (Ministry of Trade, Tourism and Telecommunications, 2016, p. 28). The assistance of international expert bodies in developing a Strategy of medical tourism would be highly recommended. The national government agencies and policy initiatives have sought to stimulate and promote medical tourism in their countries. The Polish and Hungarian governments have in recent EU accession tried to capture the potentials of medical tourism positioning as the medical tourism destinations that are cheaper than European medical facilities (Lunt et al., 2010). Medical tourism as a major component of international trade in health care attracts the attention of many actors of the medical profession, the agency for the promotion of tourism, health analysts and policy makers. As the services are offered in developing countries the slogan "first-class treatment at Third World prices" may be emphasized (Čavlin & Ignjatijević, 2014).

The results of the research (Ignjatijević & Vapa-Tankosić, 2018) show that respondents highly value the institution of conducted medical treatment and medical service. In the process of selection of a country or institution for medical services the authors have identified the most important factors of medical tourism in Serbia: Cost savings, High quality care, After-treatment assistance provided, Doctor's Recommendation;

Speed of treatment delivery abroad, Confidentiality and privacy guaranteed and High standard of hospital accommodation. The answers provided indicate that culture, infrastructure, good rest, or non-medical content were not so important to patients. Also the results of the same research have pointed out that the respondents have graded with the lowest rating the following facts: Nontraditional treatment, Treatment of persons with special needs (disabled), Stable political situation and healthy legal system, Good infrastructure and Similarity of culture.

On the other hand, qualitative research on Canadian medical tourists have shown that the key factors in the process of deciding on medical treatment abroad are reliable information about the surgeon's reputation abroad as well as the testimonies of other patients who stayed in hospital. Access to this type of information is bound to increase confidence in consumers' decision-making (Crooks et al., 2012). Generally, synthesis of existing evidence (Exworthy & Peckham, 2006, p. 279) indicates that the following factors shape "willingness to travel" (WTT)" for the use of medical services outside the country: specialist health care is associated with higher WTT; a good reputation increases WTT especially among groups with higher incomes; emergencies associated with higher WTT; frequent users of the service may exhibit lower WTT; Men show higher WTT than women; older people (over 60 years of age) are associated with lower WTT; high status (especially income) is associated with a higher WTT; parents or guardians of minors are associated with lower WTT; connection is poor or lower WTT is associated with some minority ethnic groups; and limited comparative evidence WTT in rural and urban areas.

Smith and Forgione (2007) define the factors of medical tourism that act on a wider scale than the US market that play a major role in the presentation of medical tourism in the world market. Several factors are defined that influence patients to choose medical tourism as replacement for a classic medical service. For example, patients from America are willing to travel across the ocean in search of medical services that match their budget. In his work, Palvia (2007) divides these factors into two groups: external and internal. The influence of each of the factors individually cannot be fully responsible for the patient's decision. Therefore, these factors are divided into two groups: the choice of country/location and the selection of a medical institution. The first group includes external factors, such as economic stability, political stability, social behavior and regulatory standards. Internal factors are another group of factors, as costs, accreditation, quality of care and doctors'

training. Krajnović et al. (2013) point to the importance of establishing a system monitoring and control monitoring quality at national level in all countries that have developed medical tourism, as well as a system of destination management level for tourist destinations on the principles of IQM (Integrated Quality Management).

A key driver for the UK individuals to seek health care abroad is low-cost medical care and after-care services, followed by desire to avoid long waiting times for certain medical procedures, or to consume a particular medical treatment for which there are no eligible professionals in their home country (Lunt et al., 2013).

As such medical tourism attracts the attention of many actors of the medical profession, medical tourism facilitators, medical tourism agencies, health analysts and policy makers. On-line information providers offer the latest information technology solutions in medical tourism and there is an emergence of specialized Internet sites. One of the key determinants of the modern development of medical tourism globally is to develop an internet platform that provides users with up-to-date information and easy access to abundance of medical information provided by different providers. An analysis of over 78 portals specialized in medical tourism (Vapa-Tankosić & Ignjatijević, 2018) has pointed out that they can be grouped in several categories (although some of the sites can have more than one function). What is common for most of them is the description of treatments (photos or videos), details of the establishment, staff qualifications and professional experience, technology (virtual tours of facilities), accreditation, and very often also patient testimonials and recommendation for patients.

Research methodology

The research was conducted in several cities at the territory of Vojvodina. The survey sample was presented by 365 respondents, i.e. patients who stayed for a certain period of time in Vojvodina in order to receive an appropriate medical service. The research was carefully prepared. The survey of the respondents is clearly and precisely defined. Clear, accurate and sufficiently detailed instructions were prepared for respondents. The survey was modeled according to various previous scientific sources. The survey was conducted using the survey method created in Google questionnaire so respondents responded directly to the questionnaire. All entered data in the Google questionnaire are automatically recorded in a

unique Excel table, making it easier to process data. The poll was anonymous. A list of specially formulated questions was prepared for the survey in accordance with the set goal of the research.

The first questions were supposed to serve to see whether patients - users of medical tourism services had come to Serbia earlier, whether they went to other countries and how they decided now. The second part of the question concerned the basic geographical, demographic, economic and sociological characteristics of consumers. The questions were open and closed, depending on the degree of precision of the information we wanted to obtain. After the survey was completed, a questionnaire analysis was performed. In Google questionnaire, no question can be skipped and that all questions have to be filled in according to the instructions set, therefore there was no need for editing, or for rejecting individual questionnaires because all responses were automatically entered correctly and all the questionnaires were filled in correctly. Google questionnaire enabled automatic data entry into a unique excel table, which enabled the use of the SPSS program for statistical data processing. For open questions numerical encoding had to be done in order to perform statistical processing. Descriptive statistics and SPSS program were used for a detailed analysis of phenomena. Furthermore we tried to assess the parameters that respondents evaluated before and after the arrival. We asked them to rate 22 statements regarding the main features of legal, economic, sociological characteristics of Republic of Serbia, which were supposed to give a grade of 1-5. We calculated the mean values for each analyzed factor and standard deviation as an indicator of how much values deviate from the mean value. We classified the values in the following way: Less important factors (from 0 to 3.5), moderately important factors (from 3.5 to 4.5) and Very important factors (from 4.5 to 5). The statistical method applied was Paired Paired-Samples T Test, Factor analysis, and Logistic Regression.

Research results

Descriptive analysis

The respondents in the age group of 41-50 years of age were the most represented age group in the sample of surveyed users of medical tourism services. Their participation in the sample is 50.7%, while the age group of 31-40 years of age is represented by 22%. The sample of surveyed users of medical tourism services is equally represented by men and

women, with a slightly higher percentage of women than men (50.7%). In the sample of surveyed users of medical tourism services, the highest percentage of respondents has an average income ranging from €2,001-4,000 (41.1%) and €4,001-6,000 (32.9%), which accounts for 74% of the respondents. Respondents in the categories of an average income below €2,000 and over €6,000 are equally represented. The majority of respondents has completed secondary school and has a faculty degree. These two groups of respondents account for a total of 64.4%, while respondents with the lowest level of education account for as much as 15.1%. Regarding the marital status of the respondents, the married users of medical tourism services are dominant (60%), while the participation of those who are not married is rather significant (28.8%). In the sample of surveyed users of medical tourism services, the largest percentage of respondents have insurance based on employment (46.6%) and 28.8% of respondents do not have any kind of insurance. The respondents stated that they speak mostly English, Norwegian, Italian and German and other languages. The results of the research show that 54% of the respondents had been in Serbia before, and 46% of them were in the country for the first time. Of the total number of respondents, 70.4% have not used medical services so far, that is, they are now coming for the first time in order to receive a certain medical service.

A decision to use the medical service in Serbia has been made under the influence of friends, family and doctors. We conclude that the friends' recommendation, the suggestion of a doctor or their family was crucial for the respondents to reach such a decision and come to Serbia, for the first time, in order to consume a certain medical service. The negligible percentage of respondents has not used medical services in other countries, while others have used medical services in Turkey, the USA, Germany, Poland, and Russia. The research showed that of the total number of 54.8% respondents really are true users of medical tourism. Respondents used private sector medical services (90.9%).

Testing the difference between the attitudes of the respondents before and after the arrival by Paired Paired-Samples T Test

The Paired-Samples T Test in SPSS Statistics determines whether means differ from each other under two conditions. This test has been used to assess whether there are mean differences when the same group of people have been assessed twice, before and after. Thus we wanted to find out if a medical intervention had an impact on the respondents' perception of

statements describing main features of legal, economic, sociological cultural, historical and natural characteristics of the Republic of Serbia regarding Serbia as shown in Table 1.

Table 1: *Paired Samples Test*

Paired Samples Test		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Sebia_is_a_country_w ith_stable_political_sit uation - Serbia_is_country_wit h_stable_political_situ ation_1	-0.78	1.51	0.18	-1.13	-0.43	-4.41	72.00	0.00
Pair 2	Serbia_is_country_wit h_pronounced_corrupt ion_crime_violence - Serbia_is_country_wit h_pronounced_corrupt ion_crime_violence_1	0.03	1.12	0.13	-0.23	0.29	0.21	72.00	0.84
Pair 3	Serbia_is_country_wit h_reliable_police_serv ice - Serbia_is_ country_with_reliable _police_service_1	-0.90	1.23	0.14	-1.19	-0.62	-6.30	72.00	0.00
Pair 4	Serbia_is_democratic country - Serbia_is_ democratic_country_1	0.12	0.96	0.11	-0.10	0.35	1.10	72.00	0.28
Pair 5	Serbia_is_prowestem_ oriented_country - Serbia_is_prowestem_ oriented_country_1	-0.56	1.16	0.14	-0.83	-0.29	-4.16	72.00	0.00
Pair 6	Serbia_is_multicultura ll_country - Serbia_is_ multicultural_country_ 1	-0.41	1.22	0.14	-0.70	-0.13	-2.87	72.00	0.01
Pair 7	Serbia_is_economical y_developed_country - Serbia_is_economical y_developed_country_ 1	-0.21	1.03	0.12	-0.45	0.03	-1.71	72.00	0.09
Pair 8	Serbia_is_a_country_o f_high_living_standar ds - Serbia_is_a_ country_of_high_livin g_standard_1	-0.23	1.05	0.12	-0.48	0.01	-1.90	72.00	0.06
Pair 9	Working_conditions_i n_Serbia_are_safe - Working_conditions_i n_Serbia_are_safe_1	-0.36	1.17	0.14	-0.63	-0.08	-2.60	72.00	0.01

TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA
Tourism as a Generator of Employment (TISC 2019) – Thematic proceedings II

Pair 10	Workers_in_Serbia_are_well_paid - Workers_in_Serbia_are_well_paid_1	-0.11	0.88	0.10	-0.31	0.10	-1.07	72.00	0.29
Pair 11	Workers_in_Serbia_are_reliable_and_hardworking - Workers_in_Serbia_are_reliable_and_hardworking_1	-0.45	1.03	0.12	-0.69	-0.21	-3.76	72.00	0.00
Pair 12	Workers_in_Serbia_are_well_educated - Workers_in_Serbia_are_well_educated_1	-0.56	1.08	0.13	-0.81	-0.31	-4.44	72.00	0.00
Pair 13	Serbia_is_a_country_with_a_high_quality_road_infrastructure - Serbia_is_a_country_with_a_high_quality_road_infrastructure_1	-0.18	1.18	0.14	-0.45	0.10	-1.29	72.00	0.20
Pair 14	Serbia_is_a_country_with_safe_road_infrastructure - Serbia_is_a_country_with_a_safe_road_infrastructure_1	-0.29	1.33	0.16	-0.60	0.02	-1.85	72.00	0.07
Pair 15	Serbia_is_a_country_of_famous_sportsmen - Serbia_is_a_country_of_famous_sportsmen_1	-0.18	0.69	0.08	-0.34	-0.02	-2.19	72.00	0.03
Pair 16	Serbia_is_a_country_of_famous_scientists - Serbia_is_a_country_of_famous_scientists_1	-0.29	1.03	0.12	-0.53	-0.05	-2.38	72.00	0.02
Pair 17	Serbia_is_a_country_desirable_for_life - Serbia_is_a_country_desirable_for_life_1	-0.53	1.03	0.12	-0.77	-0.29	-4.44	72.00	0.00
Pair 18	Serbia_is_a_country_of_great_natural_values - Serbia_is_a_country_of_great_natural_value_1	-0.38	1.20	0.14	-0.66	-0.10	-2.74	72.00	0.01
Pair 19	Serbia_is_a_country_in_concern_for_environment - Serbia_is_a_country_in_concern_for_environment_1	-0.06	1.13	0.13	-0.32	0.21	-0.42	72.00	0.68
Pair 20	Serbia_has_a_rich_cultural_heritage - Serbia_has_a_rich_cultural_heritage_1	-0.63	1.24	0.15	-0.92	-0.34	-4.34	72.00	0.00
Pair 21	Serbia_is_a_country_of_very_polite_people - Serbia_is_a_country_of_very_polite_people_1	-0.55	1.12	0.13	-0.81	-0.29	-4.19	72.00	0.00

	f_very_polite_people_1								
Pair 22	Serbia_is_a_desirable_touristic_destination - Serbia_is_a_desirable_touristic_destination_1	-0.52	1.02	0.12	-0.76	-0.28	-4.38	72.00	0.00
Pair 23	The_treatment_of_persons_with_special_needs - The_treatment_of_persons_with_special_needs_disabilities_is_good	0.21	1.19	0.14	-0.07	0.48	1.48	72.00	0.14

Source: *authors' analysis*

There was a statistically significant decrease in scores from Time 1 to Time 2, $p < .0005$ (two-tailed) in the following statements: Serbia is a country with a stable political situation, Serbia is a country with reliable police service, Serbia is a pro-western oriented country, Serbia is a multicultural country, Serbia is a country with safe working conditions, Serbia is a country with reliable and hardworking workers, Workers in Serbia are well educated, Serbia is a country of famous sportsmen and scientists, Serbia is a country desirable for life, Serbia is a country of great natural values and rich cultural heritage, Serbia is a land of very polite people and Serbia is a desirable tourist destination for medical tourism.

The analysis of the above findings on Serbia points to several problems. The identified issues point to the conclusion that foreign patients, users of medical tourism services, are not sufficiently informed about the country and that their preconceptions of the country are negative or insufficiently positive. On the other hand, the respondents' perceptions reflect the unfavorable macroeconomic situation in the country, i.e. poor business conditions.

Analysis of the perceptions of respondents about Serbia as a destination for medical tourism - factor analysis

In the continuation of our research, we proceeded from the assumption that the respondents' perception of the Republic of Serbia, before arrival and after arrival, do not differ significantly, so we performed a factor analysis. The data were processed in the statistical package SPSS for Windows, version 22. In order to examine the latent structure of the Questionnaire for measuring the perception of respondents about Serbia as a destination for medical tourism, factor analysis, the Principal Component Analysis

(PCA) method, was applied. As the Kaiser-Meyer-Olkin measure of Sampling Adequacy was satisfactorily high ($KMO = .804$), and Bartlett's sphericity test was significant ($\chi^2 = 6110.05$, $p < .000$) we proceeded to the analysis. Using the Cattell's scree test, five factors were retained. In order to achieve a simple structure, the factors are rotated in the Varimax rotation. After implementing the Varimax rotation and the established factor scores, we calculated Cronbach's reliability coefficient for each factor. Cronbach reliability coefficients are: 0.935; 0.893; 0.859 and 0.789; 0.776. The general rule of thumb is that a Cronbach's alpha of .70 and above is good, .80 and above is better, and .90 and above is best.

Table 2: *Factors matrix*

	Factors				
	Basic indicators	Democracy and corruption	Nature, culture, education and kindness	Famous persons	Corruption and crime
Serbia_is_prowestern_oriented_country_1	0.82				
Serbia_is_a_country_with_a_high_quality_road_infrastructure_1	0.76				
Serbia_is_multicultural_country_1	0.75				
Serbia_is_country_with_stable_political_situation_1	0.75				
Serbia_is_economically_developed_country_1	0.73				
Serbia_is_country_with_reliable_police_service_1	0.73				
Serbia_is_a_country_desirable_for_life_1	0.71				
Serbia_is_a_country_of_great_natural_value_1	0.68		0.43		
Serbia_is_a_country_of_high_living_standard_1	0.65				
Serbia_is_a_country_in_concern_for_environment_1	0.65		-0.41		
Serbia_is_a_desirable_touristic_destination_1	0.65				
Workers_in_Serbia_are_reliable_and_hardworking_1	0.65				
Serbia_has_a_rich_cultural_heritage_1	0.64		0.55		
Serbia_is_a_country_with_a_safe_road_infrastructure_1	0.64		-0.52		
Serbia_is_a_country_of_very_polite_people_1	0.60		0.55		

Workers_in_Serbia_are_well_educated_1	0.59		0.43		
Workers_in_Serbia_are_well_paid_1	0.57				
Serbia_is_a_country_of_famous_sportists_1				0.42	
Serbia_is_democratic_country_1		0.73			
Serbia_is_country_with_pronounced_corruption_crime_violence		0.68			0.45
Working_conditions_in_Serbia_are_safe_1	0.50	0.63			
Serbia_is_a_country_of_famous_scientists_1				0.46	
Initial Eigenvalues	8.60	2.59	2.20	1.28	1.06
Percentage of variation Cumulative	39.08	11.75	10.00	5.80	4.83
Cumulative Percentage	39.08	50.83	60.83	66.64	71.47
Crombach's alphas	0.94	0.89	0.86	0.79	0.78
Extraction Method: Principal Component Analysis.					
a. 5 components extracted.					

Source: *authors' analysis*

The 22 items were subjected to Principal Component Analysis (PCA) using SPSS Version 15. Prior to performing PCA, the suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. The Kaiser-Meyer-Olkin value was .80, exceeding the recommended value of .6 (Kaiser 1970, 1974) and Bartlett's Test of Sphericity (Bartlett 1954) reached statistical significance, supporting the factorability of correlation matrix. Principal component analysis revealed the presence of five components with eigenvalues exceeding 1, explaining 39%, 11.7%, 10 %, 5.8% and 4.8% of the variance, respectively. The two-component solution explained a total of 48.2% of the variance, with Component 1 contributing 31.25% and Component 2 contributing 17.0%.

Taking into account the saturation shown in Factors matrix (Table 2), the obtained factors are interpreted as, or grouped in 5 totals: the first factor - General conditions; the Second factor combines the influence and perception of democracy and corruption in society; The third factor is the natural and cultural heritage and education of the workforce. The fourth factor is related to famous persons in Serbia, the fifth factor is corruption.

The conducted factor analysis shows that all respondents group the indicators on Serbia in General i.e. Socio-economic, Sociological

(democracy and corruption), Cultural, Historical and Natural, and Famous persons. Interestingly, this factor has been singled out as a separate factor affecting medical tourism. Such a structure actually defines the areas of action in creating a strategy for the development of medical tourism in Serbia.

Analysis of the perceptions of respondents about Serbia as a desirable destination for medical tourism – logistic regression

In an effort to discover which perceptions of respondents predict the selection of Serbia as a desirable destination for providing medical tourism services, we conducted a regression analysis. The coefficient of determination (R-Sq) has a value of 0.863. This indicates that changes in the perception of Serbia as a tourist destination for medical tourism is explained in a high percentage by the variations of the stated findings.

Table 3: *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.863 ^a	.745	.632	.576	.745	6.623	22	50	.000

b. Dependent Variable: Serbia_is_a_desirable_touristic_destination_1

Source: *authors' analysis*

The constant 0.919 shows the hypothetical value of Perception of Serbia as a desirable medical tourism destination when all factors are equal to zero. By empirical analysis we have established the probability of correlation. The empirical F level distribution is 6.623 higher than the critical value (Significance F – 0.000) F distribution. The obtained value indicates that the high value of F distribution is not random, and that the equation of regression is applicable when predicting the Perception of Serbia as a medical tourism destination. T statistics determine the usefulness of each coefficient in predicting the Perception of Serbia as a medical tourism destination.

Table 4: *ANOVA*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.384	22	2.199	6.623	.000 ^b
	Residual	16.603	50	.332		
	Total	64.986	72			

Source: *authors' analysis*

Simple regression was conducted to determine the best linear combination of a number of statements for predicting respondent's perception of Serbia as a medical tourism destination. This combination of variables significantly predicted respondent's perception of Serbia as a desirable medical tourism destination $F(22.50) = 6.62$, $p < .001$, with all four variables significantly contributing to the prediction. The adjusted R squared value was .63. This indicates that 63% of the variance in respondent's perception of Serbia as a desirable medical tourism destination was explained by the model. According to Cohen, this is a large effect. The analysis of the data in Table 5 shows that only 4 statements have a statistically significant impact on the dependent variable of Serbia as a desirable medical tourism destination: Serbia is a democratic country, Serbia is a country of very polite people, Workers in Serbia are well educated and Serbia is a country desirable for life. As shown in Table 1, only four of the independent variables made a unique statistically significant contribution to the model.

Table 5: *Coefficients table*

	Coefficients	Std. Error	t	Sig.
(Constant)	0.92	0.63	1.47	0.15
Serbia_is_country_with_stable_political_situation_1	0.15	0.13	1.14	0.26
Serbia_is_country_with_pronounced_corruption_crime_violence_1	0.15	0.09	1.70	0.10
Serbia_is_country_with_reliable_police_service_1	0.10	0.19	0.52	0.61
Serbia_is_a_democratic_country_1	-0.38	0.13	-2.92	0.01
Serbia_is_prowestern_oriented_country_1	-0.16	0.17	-0.94	0.35
Serbia_is_multicultural_country_1	-0.04	0.14	-0.31	0.76
Serbia_is_economically_developed_country_1	-0.01	0.12	-0.05	0.96
Serbia_is_a_country_of_high_living_standard_1	0.22	0.13	1.74	0.09
Working_conditions_in_Serbia_are_safe_1	-0.10	0.14	-0.73	0.47
Workers_in_Serbia_are_well_paid_1	-0.16	0.10	-1.59	0.12
Workers_in_Serbia_are_reliable_and_hardworking_1	0.21	0.14	1.51	0.14
Workers_in_Serbia_are_well_educated_1	0.36	0.14	2.50	0.02
Serbia_is_a_country_with_a_high_quality_road_infrastructure_1	0.14	0.16	0.88	0.39
Serbia_is_a_country_with_a_safe_road_infrastructure_1	0.00	0.14	0.02	0.98
Serbia_is_a_country_of_famous_sportists_1	0.13	0.12	1.02	0.31
Serbia_is_a_country_of_famous_scientists_1	-0.13	0.08	-1.59	0.12
Serbia_is_a_country_desirable_for_life_1	0.28	0.13	2.27	0.03
Serbia_is_a_country_of_great_natural_value_1	-0.10	0.14	-0.71	0.48
Serbia_is_a_country_in_concern_for_environment_1	0.01	0.11	0.04	0.97
Serbia_has_a_rich_cultural_heritage_1	0.12	0.14	0.86	0.40
Serbia_is_a_country_of_very_polite_people_1	0.36	0.13	2.69	0.01

Source: *authors' analysis*

The strongest predictor of respondent's perception of Serbia as a medical tourism destination was Serbia is a democratic country, recording an odds ratio of - 0.375. This indicated that respondents who perceived Serbia as a democratic country were over -0.37 times more likely to perceive Serbia as a desirable medical tourism destination. The following significant statement Serbia is a country of very polite people predicts Serbia as a desirable medical tourism destination, recorded an odds ratio of 0.361. This indicated that respondents who perceived Serbia is a country of very polite people were over 0.36 times more likely to perceive Serbia as a desirable medical tourism destination. Next significant statements are Workers in Serbia are well educated and Serbia is a country desirable for life, recording an odds ratio of 0.359 and 0.283, respectively, indicated that respondents who perceived that workers in Serbia are well educated were over 0.36 times more likely to perceive Serbia as a desirable medical tourism destination. Those who perceived that Serbia is a country desirable for life were over 0.28 times more likely to perceive Serbia as a desirable medical tourism destination. The following findings indicate that perceptions of the quality of human resources in tourism, such as medical staff politeness, and quality education, good living conditions can positively influence the desirability of Serbia as a medical destination.

Conclusion

It is interesting that medical tourism is a mix of tourism and medicine, and according to respondents, we can conclude that their country-related parameters play a very small role in deciding on the desirability of the use of the service. They offer state-of-the-art medical services in major cities of Serbia and Vojvodina, but at prices that are considerably below prices in the countries of service users origin. All this confirms the premise that the medical service is "a premium quality service at the prices of the third world". The above answers indicate that users of these services are consumers who are more important in terms of a patient than a tourist. Patients stay briefly, tourist facilities are less important to them, they come only for the intervention, the quality of service and prices are important. The conducted factor analysis shows that the respondents all group the indicators on Serbia in: General i.e. Socio-economic factor, Sociological (democracy and corruption), Cultural, Historical and Natural, and Famous persons. Regression analysis shows that only four predictors have a statistically significant impact on the dependent variable Serbia as a desirable medical tourism destination: Serbia is a democratic

country, Serbia is a country of very polite people, Workers in Serbia are well educated and Serbia is a country desirable for life.

In order to develop medical tourism, improving a comprehensive management system, knowledge and information exchange and capacity building should be a priority. A special area that contributes to the sustainable development of tourism is the management of environment, natural and cultural resources, the improvement of communication and the improvement of the coordinated work of the public and private sector. The development of the service sector in many ways shall contribute to the economic development of Serbia as a desirable destination of medical tourism. For the purpose of economic development of a destination, it is necessary to create an institutional framework and a favorable investment environment, to work on the development of entrepreneurial competences, new technologies and innovative solutions in medical tourism, on linking educational and scientific-research institutions with the real economy.

The destination concept of development implies the development of public utility and tourist infrastructure, raising the level of quality of infrastructure of medical institutions, improving international connectivity of Serbia by air, maritime and railway traffic and facilitated customs and police formalities. In order to develop a destination, it is necessary to ensure the quality functioning of all security services, which will affect the quality of life of local communities. The biggest challenge is to recognize and exploit the competitive advantages of a destination. Accordingly, it is necessary to devise and apply marketing activities, to harmonize the wishes and needs of tourists, i.e. respond to tourist demands. It is necessary to further develop destination management and destination marketing, to create a unique IT platform for the marketing of medical tourism services and to establish an efficient system of coordination of activities between all entities.

Finally, the results of the research indicate an increase in the number of medical tourists and the countries which have the best prices, high quality of services and equipment will win in the competition. Countries in which medical tourism is at an early stage of development should, with the help of the competent state authorities, by fiscal policy measures and other incentives, create the perception of Serbia as a desirable destination country for medical tourism services.

References

1. Crooks, V., Cameron, K., Chouinard, V., Johnston, R., Snyder, J. (2012). Use of medical tourism for hip and knee surgery in osteoarthritis: a qualitative examination of distinctive attitudinal characteristics among Canadian patients. *BMC health services research*, Vol. 12, No. 417, 1-10.
2. Čavlin, M., Ignjatijević, S. (2014). Challenges and prospects of medical tourism in the world and the Republic of Serbia, *Second International Conference "Sustainable Development of Tourism Market: International Practice and Russian Experience"*, Stavropol, Russia, 10-11 April, 40-47.
3. Exworthy, M., Peckham, S. (2006). Access, Choice and Travel: Implications for Health Policy. *Social Policy and Administration*, Vol. 40, No. 3, 267-287.
4. Ignjatijević, S., Čavlin, M., Vapa Tankosić, J. (2017). Međunarodna pozicija Srbije kao destinacije za medicinski turizam. *Vojno delo*, No. 8, 369-378.
5. Ignjatijević, S., Vapa-Tankosić, J. (2018). Influence of socio demographic characteristics of consumers of medical tourism services in Serbia. *Tourism in the Era of Digital Transformation, Thematic Proceedings I of the Third International Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, 582-602.
6. Krajnović, A., Babić, R., Bosna, J. (2013). Medicinski turizam – neki marketinški i etički aspekti. *Oeconomica Jadertina*, Vol. 3, No. 1, 16-30.
7. Lunt, N., Carrera, P. (2010). Medical tourism: Assessing the evidence on treatment abroad. *Maturitas*, Vol. 66, No. 1, 27–32.
8. Lunt, N. T., Mannion, R., Exworthy, M. (2013). A Framework for Exploring the Policy Implications of UK Medical Tourism and International Patient Flows. *Social Policy & Administration*, 47, 1–25. doi:10.1111/j.1467-9515.2011.00833.x
9. Ministry of Trade, Tourism and Telecommunications, *Tourism development strategy of the Republic of Serbia 2016 – 2025*, <http://mtt.gov.rs/download/3/strategija.pdf>, (30 March 2017).

10. Palvia, S. (2007). Global outsourcing of IT and IT enabled services: a relationship framework and a two stage model for selecting a vendor. In Palvia, P., Palvia, S. C. J. and Harris, A. L. (eds.) *Managing Global Information Technology: Strategies and Challenges*. Marietta, GA: Ivy League Publishing, 433–458.
11. Smith. P. C.. Forgione. D. A. (2007). Global outsourcing of healthcare: a medical tourism decision model. *Journal of Information Technology Case and Application Research*, Vol. 9, No. 3, 19-30.
12. Vapa-Tankosić, J., Ignjatijević, S. (2017). Exploratory research on determinants of on line information providers of medical tourism, *Tourism product as a factor of competitiveness of the Serbian economy and experiences of other countries*, *Thematic Proceedings I of the Second International Scientific Conference "Tourism in function of development of the Republic of Serbia"*, Vrnjačka Banja, 423-440, ISBN 978-86-89949-29-2.

POSSIBILITIES FOR APPLICATION OF ECONOMIC ANALYSIS MODEL

Predrag Jovičević¹; Milan Mihajlović²;

Abstract

Markets represent a very dynamic category, subject to change and constant development. However, as well as predicting other rapidly changing occurrences, the careful market study gives the opportunity to see certain forces that stand in the background of seemingly random movements.

Economic analysis serves extremely precise methods that allow these changes in the economic environment to be explained. The basis of these methods is in relation to the quote theory and demand. This theory shows how the consumers' preference determines the demand of consumers for goods, while business costs are the basis of the offer of goods.

Key Words: *economic, analysis, markets*

JEL classification: *C55, D12*

Introduction

The market is not a perfect economic mechanism for the connection of independent economic entities, because that always the ex post checks decisions and confirms or disputes their reasonableness. There is always a risk that the offered goods or services will not correspond to customer demands and will not achieve the goal of economic activity. This business risk is related to uncertainty, because economic entities, as a rule, do not dispose of all necessary information in order to accurately predict future economic trends and to preadapt their behavior.

¹ Predrag Jovičević, Ph. D., associate professor at Faculty of Applied Management, Economics and Finance in Belgrade, Street Jevrejska 24, tel. 064/2474168, e-mail: predrag.jovicevic@mef.edu.rs

² Milan Mihajlović, Ph. D., assistant professor at Military academy in Belgrade, Street Pavla Jurišića Šturma No. 33, tel. 064/3021951, e-mail: milan.mih83@gmail.com

The content of market relations seems to be a large number of factors of different intensity that determine the conditions in which the exchange of goods and services is conducted. The overall factors that determine quantitative and qualitative side, form and specificity of the offer and demand as the content of market relations makes morphology (structure) of the market. On the side of the offer, the market structure determines: the size of the offer, concentration and centralization of the offer, the kind of goods that are subject to commodity production, differentiation of commodity products, their standardization and the possibility of subconstitution.

On the side of demand, the market structure determines: number of buyers, their purchasing force, the structure of wages, the tendency of consumption, class, professional and cultural strategy, the differentiation of needs, etc. Also, the market structure acts and many exogenous factors such as: advertisements, natural benefits, knowingly organized (political and economic) actions that may affect the routing of supply and demand or market exchange conditions (prices).

The purchaser inspects the market of every single procurement item by: Examining the level of market development, comparing the prices of more potential bidders, monitoring the quality, warranty period, method and cost of life of procurement, deadlines Regulations and standards, market opportunities to satisfy the purchaser's needs in a different way, etc.

In economically developed countries, the level of market concentration is one of the most famous and most commonly used indicators of the monopoly power of enterprises in the observed market. Behavior of economic entities and their relationship with consumers is best seen by monitoring the degree of concentration of the market, which is also the subject of research of this work.

Market research methods

The market participation of individual participants is often used to determine the degree of concentration of the offer. Individual companies continuously strive to increase their market share, because there is a positive correlation between market participation and profitability (Amato, 2004). The tendency to achieve a higher market share is the result of a higher degree of supply concentration. A number of different

factors affect the degree of offer concentration on a market. All factors can be divided into the main, which are crucial to determining the degree of concentration and additional, which is essential in determining the concentration of the offer less. The main factors that influence the degree of concentration of the offer are: the number of competitors operating in the market, dispersion of market participation between competitors and barriers of entry and exit of the branch.

In addition to the main, there are additional factors that affect the level of the offer's concentration, such as economic potential and geographic size of market; technological conditions of the production of foreign trade etc. (Kostić, 2008).

The concept of the relevant market differs from the common understanding of the market's notion of practice or economic theory. He has his two aspects – subject and geographically. The relevant market includes the relevant product market and the relevant geographic market (Stojanović & Radivojević, 2008).

Therefore, the market must be determined by the type of product (goods and services) that are sold on it, and space on which they are sold and bought. Our right accepts the definition of the relevant market that exists in the European Union. The relevant product market is a collection of products that are replaceable to consumers under acceptable conditions, especially at the basis of their properties, common uses and prices (Labus, 2008). The relevant geographic market is the territory where the market entities participate in the offer and demand under the same terms of competition, which differ from neighboring territories.

The second problem in measuring concentration is to choose the appropriate variable through which concentration will be measured (Mihajlović et al., 2016). Among the variables that are used for this purpose are: total production, turnover, total assets, employee number, income, etc. Each of these variables carries with it certain limitations so that the evaluation of the concentration determined by their scope requires a high degree of subjective assessments of researchers in order to make the results understandable and applicable.

Obtaining information on the concrete industrial branch and its structure, economic researchers and policymakers are using different indicators of concentration. As such, they serve to measure the degree of concentration

of the offer, but also the perception of the nature of competition between the companies on the concrete market in a certain time-frame. Between a large number of indicators to determine, i.e. measuring the level of inequality of the participation of individual participants in the market structure is most commonly used: the concentrations of n leading Enterprises (Black), Herfindal-Hirshman's index (HHI), Lorenzo's guilty (guilty of concentrations), Gini coefficient and entropy Index. The Implementation of these indicators relates to the understanding, consideration and analysis of the existence or lack of a monopolistic market structure.

The impact of markets in modern conditions apply primarily to the process of continuous reduction or removal of barriers for successful functioning, i.e. revitalization of market mechanisms and transformation of companies into a standalone institution oriented on positive effects. The process of market influences does not imply the removal of the global market's actions in terms of control and creation of certain market policy instruments, which companies must abide strictly. Liberalization, on the other hand, relates to the free formation and movement of certain market mechanisms, as it is the sole operation of the company on the market. The process of influence and liberalization comes to the creation of new market instruments.

Strategic routes of reform of market systems are reflected in the creation of strong institutions that can guarantee stability and security, diversification and growth of trade at an international level. This system of functioning has accelerated integration in parallel with the processes of deregulation and liberalization and the formation of large markets that function by the principle, "All in one place", whose formation threatens a large number of small businesses Focused solely on local business.

The indicators of the level of participation in the market structure

The Index of the shares of the n company or the concentration (Black) is an indicator that is obtained as a sum of market participation of the largest market share of the NCS and as such is very simple for understanding (Savić, 2000). We can present it with the following formula (Waldman & Jensen, 2001):

$$CR_n = \sum_{i=1}^n X_i \quad (1.1)$$

Where X_i is individually market participation i -ts company that is obtained through the form:

$$X_i = \left(\frac{q_i}{Q}\right)100 \quad (1.2)$$

Where the q_i offer is and-that company, and Q offers a whole branch. In Addition to the offer as the basis for determining market participation can serve other economic categories such as the number of employees, total revenues, etc.

In practice, n number is usually measured between 4 and 10 leading companies in the observed market. The number of companies entering this indicator decides government agencies that deal with the monitoring of the concentration levels in the state, provided this coefficient is being used as an official indicator (Martin, 2002). However, the most frequent number of companies entering the calculation of concentration is four, and that is why this indicator is known as a concentration of four leading enterprises. If more companies are taken, it can be reduced to the analytical significance of these indicators, as it will increase the value of the index. By contrast, reducing the number of analyzed companies comes to those bidders who offer an increase in the concentration of the observed sector.

The unwritten rule says that if the four largest companies control more than 40% of the market, it is an oligopoly. If the value of these indicators is greater than 90%, it is a clean monopoly (Đuričin, et al. 2008).

Determining the level of the offer concentration will be shown in the next hypothetical example of the market structure. It is assumed that the market has ten participants on the side of the offer with the following sales values and market participation (table 1).

Table 1: *Example of determining the concentration of a quote using concentration*

Company	Sale (q_i)	Market participation (X_i)	Determination of a raid of market participation
1	2400	24%	24
2	2100	21%	45
3	1500	15%	60
4	1000	10%	(CR4) 70
5	900	9%	(CR5) 79

6	800	8%	(CR6) 87
7	600	6%	(CR7) 93
8	400	4%	(CR8) 97
9	200	2%	(CR9) 99
10	100	1%	(CR10) 100
Suma	10000	100%	-

Source: *Kostić, M. (2008). Merenje koncentracije ponude grane. Ekonomski horizonti, Vol. 10, No. 1, p. 93.*

Based on the sales values and market share, the index of the four leading companies is 70, which means that the concentration of the offer is high. However, this example explicitly points to the main shortcomings of these indicators. The issue is that he shows only a total market share of four major enterprises, but does not appreciate the dispersion of these participation between the companies themselves (Begović, 2002).

The fact is that the characteristics of the market will not be the same if the market share is equally distributed between the four leading enterprises, and if one of them has a highly higher market share than others. The second flaw relates to the justness of observation of only four companies, rather than three or six leading competitors.

In recent decades, there has been a continuous transformation in understanding the role and importance of market institutions. Companies as institutions are facing the market and market circumstances where it offers its products and services, where it achieves positive results. Modern market opportunities have made it conditional to transform the traditional concept of business into a modern form, creating this segment of market industry. As regards preconditions that have led to a change in the role and place of the company in modern economies, it is primarily thought of: deregulation, increased competition, globalisation and innovative possibilities.

The practice has shown that application of new, modern instruments and possibilities, creates a better position and achieves a comparative advantage over competition. Based on this, the notion of market engineering is being introduced, where it is systematically applied to the realization of innovative opportunities aimed at acquiring sufficient capital quantities and to invest available funds in profitable products.

One of the frequently used indicators in market concentration analyses is the Herfindal-Hirshman's index (HHI). This Index represents a controversial function of market participation, so it is sensitive to their inequality. It represents the sum of squares of individual market participation in the company in an industrial branch (Martin, 2002). It can be expressed in the following equation:

$$HHI = \sum_{i=1}^n (X_i^2) \quad (1.3)$$

With X_i market participation and i -ts of the company (Šaj, 2005).

The Significance of the index is reflected in the fact that although it respects the individual market share of all companies in the branch, it nevertheless responds specifically to the presence of the company with large market participation, which significantly increases its value.

This indicator has at least two advantages in comparison to the concentration of the main companies: 1) is a group of aggregate indicators - provides more precise information than the ratio of concentration, because it considers market participation of all companies that are arranged according to market share size; 2) due to the procedure of squares of market participation, the higher importance (higher the ponder) given to companies with higher market share. Therefore, differences arise from the company's ranking based on the Black and HHI indicators. Also, this index indicates a synthetic measurement of the degree of concentration that gives the indicator comparable to any other sample, no matter how many elements the sample contains. This HHI feature is very important, because it allows us to compare very different sectors of the economy, from those consisting of several companies to several thousand enterprises (Stojanović & Radivojević, 2008).

In contrast to the concentration of concentrations of n leading companies, the value of Herfindal-Hirschmanov index depends on the number of competitors in the market and the difference in their relative market strength (Mihajlović, et al., 2016). The HHI Value is reduced with the increase in the number of competitors in the market. Also, the value of this index increases with the increase in the size of market power, because large enterprises have a larger weight in the calculation due to the value of the quadrirarous market participation. The biggest problem in determining the value of Herfindal-Hirschman'S index is the necessity to have information on the value of market participation for each company

belonging to the observed market. From a formula to calculate the Herfindal-Hirshman's-G index, you can see that businesses with a small value of market share have very little impact on the result. That is, to calculate the value of Herfindal-Hirshman's index, it is sufficient to possess data regarding market participation of all companies whose market share is greater than 1%.

This index can theoretically be a value between 0 and 10000. In the case of an atomized offer, when there is a huge number of manufacturers and when the offer each weighs 0 and the index value tends to 0. For a monopoly, the value of the index is 10000, as a monopoly offer equals the whole branch. (Table 2)

Table 2: *Market Types according to HHI value*

Value HHI index	The Degree of the offer concentration
HHI<1000	Non-concentrated (low concentrated) offer
1000≤ HHI<1800	Medium concentrated offer
1800≤ HHI<2600	Highly concentrated offer
2600≤ HHI<10000	Very highly concentrated offer
HHI=10000	Monopolically concentrated offer

Source: Begović, B., Bukvić, R., Mijatović, B., Paunović, M., Sepi, R. & Hiber, D. (2002). *Antimonopolska politika u SR Jugoslaviji*, Centar za liberalno–demokratske studije, Beograd, p. 35.

The hypothetical example of the market structure used to present the previous parameter will be used here to calculate this parameter. The Harfindal-Hirshman's index Calculation can be displayed in Table 3.

Table 3: *Example of determining the concentration of an offer using the Herfindal-Hirshman's index*

Company	Sales (q_i)	Market participation (X_i)	X_i^2
1	2400	24%	576
2	2100	21%	441
3	1500	15%	225
4	1000	10%	100
5	900	9%	81
6	800	8%	64
7	600	6%	36

8	400	4%	16
9	200	2%	4
10	100	1%	1
Sum	10000	100%	1544

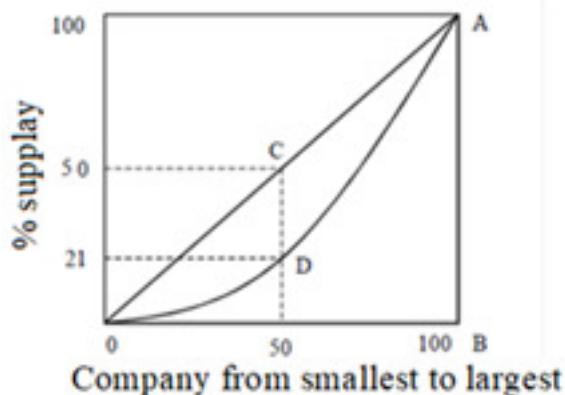
Source: *Kostić, M. (2008). Merenje koncentracije ponude grane. Ekonomski horizonti, Vol. 10, No. 1, p. 93.*

From the given table can be determined that on the concrete market Herfindal-Hirshman's index is 1544, which this market and offer is placed in a medium concentrated offer and a medium concentrated market.

Lorenzo's fault is one of the very significant instruments used in statistical analysis. In practice is often used tools for graphic rendering of the degree of concentration of markets and the visibility of inequality in the distribution of market participation (Jovićević-Simin, et al., 2016). The Name was given to US economist Lorenzo, who originally constructed this curve. The Bottom line is to perform competitors on the basis of market participation (smallest to largest), to qumuse the market participation of competitors and to graphically merge all points. The Resulting guilty is then placed in relation to the wrong equal market share (the Curve 45°), which shows the absolutely equal distribution of market participation between all participants in the market.

The next graph of Lorenzo's curve (Figure 1) can be given for the previous example of the market structure.

Figure 1: *Lorenzo's fault for giving an example of the market*



Source: *Lipczynski, J. & Wilson, J. (2001). Industrial organization – An Analysis of Competitive Markets, Prentice Hall, Harlow, UK, p. 110.*

The abscesses are shown by companies arranged from smallest to largest (in percentage amounts), and on the clinics, the percentage of the offer that is allocated to companies in the interval 0 to 100% of the quote is displayed. A Line of 0A that is at an angle of 45 ° is interpreted as a line of full equality, or equal to the distribution of the offer between the company. If your company's size is distributed along this line, then all companies have the same size. For example, point C shows that 50% of companies keep 50% of the production and offers in the same market.

From this, the competition on this market consists of a company of identical sizes. When the line was vertical then it would show absolute imbalance in the distribution of the offer, i.e. market share, where one company held 100% of the offer on that market. The Actual distribution is somewhere between these two extremes. The Basic lack of Lorenzo's curve is reflected in the fact that it is primarily oriented to the imbalance of the distribution of market participation between individual enterprises. The Number of companies in determining the degree of concentration does not play a significant role so that one company with 100% market share and 10 companies with 10% of market share will be at the fault of 45 °.

The Gini coefficient is a statistical measure based on Lorenzo's fault, as a graphical instrument. If the previously specified graph is viewed, the coefficient can be deposited through the following formula (Bajec, 2006):

$$G = \frac{2}{\mu n^2} \sum_{i=1}^n \left(r_i - \frac{n+1}{2} \right) q_i \quad (1.4)$$

where n is the number of the company, μ the average size of sales of the company on the given market, r_i the rank of which i -ts company is occupied (companies are ranked according to the size of sales or market participation from smallest to largest) and q_i of sales and i -ts company.

The Gini coefficient gives an indicator that describes the position or curvature of Lorenzo's curve by placing it in the relationship of the surface between the curve of perfect equality and Lorenzo's curve with the entire surface under the curve of perfect equality. In the case of perfectly equal distribution of market power, the Jia coefficient would be equal to zero, because it would coincide with the wrong equal market participation (Vignjević-Đorđević et al., 2015). If there was complete inequality in which one competitor could choose a market share that

suited him, the concentration of concentrations would coincide with the lower horizontal and right vertical axis so that Gini coefficient would reach maximum possible value From 1. In practice, the value of the Gini coefficient ranges between 0 and 1.

The data provided in the initial example can be calculated by the Gini coefficient (Table 4):

Table 4: *Example of determining the concentration of an offer using the Gini coefficient*

Rank (r_i)	Company	Sales (q_i)	$\left(r_i - \frac{n+1}{2}\right)q_i$
1	10	100	-450
2	9	200	-700
3	8	400	-1000
4	7	600	-900
5	6	800	-400
6	5	900	450
7	4	1000	1500
8	3	1500	3750
9	2	2100	7350
10	1	2400	10800
Sum	-	10000	20400

Source: *Kostić, M. (2008). Merenje koncentracije ponude grane. Ekonomski horizonti, Vol. 10, No. 1, p. 95.*

$$G = \frac{2}{\mu n^2} 20400 = \frac{2}{1000 \cdot 10^2} 20400 = 0,408 \quad (1.5)$$

The Gini coefficient in the following example is 0.408, which categorized it in medium-concentrated markets.

The Basic disadvantage of these indicators is that it ignores the number of companies and exclusively observe the inequality of the offer between them. An Industrial branch that has two companies identical to the size has the same value as the Gini coefficient and the industry that has 100 companies of the same size, although the competitive structure of these two industries is completely different.

The Coefficient of entropy is an indication of the degree of concentration of the offer that is observed in relation to the Herfindal-Hiršman index

gives a relatively greater significance to the smaller companies on the market. While Herfindal-Hirshman's index does not attach almost any significance to businesses with a market share less than 1, the index of entropy and these competitors are respected.

The Index of entropy is obtained as a sum of the products of market participation of individual enterprises and natural logarithmic of their reciprocal values. This coefficient is obtained through the following form (Ilić, 2006):

$$E = \sum_{i=1}^n X_i \log \frac{1}{X_i} \quad (1.6)$$

where X_i represents market participation i -ts company expressed in relative numbers. The Value of the coefficient of entropy is not limited to the extremities of 0 and 1, as most of the other concentrations, but it ranges from 0 to $\log n$. The Value of the entropy is reached by 0 in the case of the monopoly, and the value of the "n" when all companies are equal Size.

The Main advantage of the entropy coefficient is that in relation to other indicators of concentration can be divided into components. This is the case when there are groups of companies belonging to different industries or different countries on the market. In this way, you can determine the coefficient of entropy within different groups, but also between different groups. If the entropy coefficient is to be comparable between different industrial branches, the relative value of the entropy coefficient is used, which is obtained by sharing the entropy coefficient with the number of enterprises located in the branch (Lipczynski & Wilson, 2001):

$$RE = \frac{\sum_{i=1}^n X_i \log \frac{1}{X_i}}{n} \quad (1.7)$$

Observed in the initial example, the coefficient of entropy can be displayed in table 11 as follows:

Table 5: *Example of determining the concentration of an offer by using a coefficient of entropy*

Company	Sales (q_i)	Market participation X_i	Log $1/x_i$	X_i Log $1/x_i$
1	2,400	0.24	1.427	0.34248
2	2,100	0.21	1.561	0.32781

3	1,500	0.15	1.897	0.28455
4	1,000	0.10	2.303	0.23030
5	900	0.09	2.408	0.21672
6	800	0.08	2.526	0.20208
7	600	0.06	2.813	0.16878
8	400	0.04	3.219	0.12876
9	200	0.02	3.912	0.07824
10	100	0.01	4.605	0.04605
Sum	10,000	1	26.671	2.02577

Source: *Kostić, M. (2008). Merenje koncentracije ponude grane. Ekonomski horizonti, Vol. 10, No. 1, p. 102.*

The Coefficient of entropy on the given market is 2.02577, and it says that the market is relatively stable in terms of market participation between the individual enterprises. If the position of this market structure, between the two Extremes (0 and $E = \log n$), or 0 and 2.303 (which is the natural logarithm of Number 10, how many companies have in the existing branches), which are characteristic of extreme, can be said that concrete market is close Upper Extremes. This fact indicates that the existing market structure is close to a market structure characterised by the equality of all its members market participation. Such a market is also a market where the high degree of instability is in place, because buyers can have no large costs to change the seller.

Many scholars have shown that there is a high degree of correlation between individual concentrations. However, none of them can independently show the actual nature of the competition of a branch. The Theorists of Hanah and Kay gave the criteria that must satisfy an indication that the most complete described the concentration and nature of competition in a branch: the indicator of concentration needs one industrial branch to be concentrated in concentrations when The sum of the largest enterprises in production and sales exceeds the same sum in the second; Transfer of market participation from small to large enterprises should lead to increased concentration.

Also, the entry of new companies into the branch should be reduced, and the exit to increase concentration. Connecting the company within the same branch should increase the level of concentration of branches. If the chances for growth in a period are identical to large and small companies, the increase effect will be much higher for the larger than for smaller companies, which will lead to an increase in concentration levels.

According to the criteria specified, The greatest analytical significance has Herfindal-Hirschman's coefficient, which largely satisfies the above criteria. The Application of the above market concentration indicators may be realized in this work, however, given the objectives of this work from the practical reason it was given only a hypothetical example and attempted to demonstrate the implementation of these analyses and the possibility of use Various tools for obtaining relevant data.

Conclusion

Given the foregoing and dynamic conditions in today's global market, there is a need for continuous research to get information about the necessary parameters relating to the characteristics of the market structure and intensity competition. In case of high concentration and high market limitation, consumer selection is much reduced. Construction of the modern market structure to ensure the intensive and effective competition between economic entities is the imperative of every State, especially developing countries. Business entities should pay great attention to the market and market structure research, because the efficiency of purchasing different types of goods and services depends on the possibility of bidders to influence the procurement criteria more or less.

Based on the research subject, conducted analysis and research methods, it is clear that the need to study the concentration of markets is justified by the necessity of improving the activities in the field of market structure research, in order to see the potential bidders, depending on the development and business abilities of the entities that realize their activities in the markets of developing countries, i.e., Republic of Serbia.

Based on our research we have reached the conclusion that the local market structure becomes the bearer of the innovation process in the world market system, creating certain trends in functioning. These trends are reflected in the creation of brand new products and services, with the transformation of the concept of functioning, from a traditional conservatory shape to a modern form that can only exist on the market.

There is no possibility of sustaining the old concept of the system in a modern market environment. It is very important for modern global trends to create very strong competition.

References

1. Amato, H. L. & Wilder, P. R. (2004). Global competition and global markets: Some empirical results. *International Business Review*, Vol. 13, No. 3, 401-416.
2. Bajec, J., Stanić, K., Pagliani, P. & Varga, D. (2006). *Srbija – pokazatelji humanog razvoja*, United Nations - development Program, Serbia.
3. Begović, B., Bukvić, R., Mijatović, B., Paunović, M., Sepi, R. & Hiber, D. (2002). *Antimonopolska politika u SR Jugoslaviji*, Centar za liberalno–demokratske studije, Beograd.
4. Đuričin, D., Rajić, V. & Lončar, D. (2008). Merenje koncentracije tržišta: primer sektora prehrambene maloprodaje Beograda. *Ekonomika preduzeća*, Vol. 56, No. 1-2, 61-80.
5. Ilić, M., Savić, Lj., Cvetković, S. & Arsovski, Z. (2003). *Industrijski menadžment*, Ekonomski fakultet Kragujevac, Kragujevac.
6. Jovičević-Simin. M., Jovičević. P. & Novaković. S. (2016). Appellations of geographical origin as a generator of national competitiveness. *Ekonomika poljoprivrede*, Vol. 63, No. 2, 567-583.
7. Kostić, M. (2008). Merenje koncentracije ponude grane. *Ekonomski horizonti*, Vol. 10, No. 1, 89-108.
8. Labus, M. (2008). Uporedna analiza relevantnog tržišta: koncept i primena. *Ekonomika preduzeća*, Vol. 65, No. 1-2, 48-61.
9. Lipczynski, J. & Wilson, J. (2001). *Industrial organization – An Analysis of Competitive Markets*, Prentice Hall, Harlow, UK.
10. Martin, S. (2002). *Advanced Industrial Economics*, Blackwell Publishers Ltd, Oxford, UK.
11. Mihajlović, M., Karović, S., Ristić, S. & Radovanović, G. (2016). Application of dynamic programming in planning costs of telecommunication security operations to provide aid to civilian

authorities. *Management - Journal for Theory and Practice Management*, Vol. 21, No. 81, 67-76.

12. Mihajlović, M., Krstić, S., Šegrt, S., Pavlović, D., Jovanović, D. & Simeunović, T. (2016). Economic analysis of the influence of milk market concentration on procurement efficiency in the defense system. *Ekonomika poljoprivrede*, Vol. 63, No. 3, 973-985.

13. Savić, Lj. (2000). Tržišne strukture u Jugoslovenskoj industriji. *Industrija*, Vol. 26, No. 1-4, 1-19.

14. Stojanović, B. & Radivojević, V. (2008). Koncentracija ponude kao izraz nesavršenosti tržišta: primer nespecijalizovane trgovine na malo na tržištu grada Niša. *Ekonomika preduzeća*, Vol. 65, No. 5-6, 327-338.

15. Šaj, O. (2005). *Industrijska organizacija – teorija i primena*, (prevod), CID Ekonomski fakultet u Beogradu.

16. Vignjević-Dorđević, N., Jovičević, P. & Kocić, S. (2015). Specifičnosti korporativnog upravljanja u agrobiznisu u tradicionalnim uslovima. *Ekonomika poljoprivrede*, Vol. 62, No. 3, 869-879.

17. Waldman, E. D. & Jensen, E. (2001). *Industrial Organization, Theory and Practice*, Addison Wesley Longman, New York, USA.

ECONOMIC ANALYSIS OF TOURISM INDUSTRY IN ZANZIBAR

Ramadhani Issa Hemed¹; Duško Jovanović²;

Abstract

This paper is divided into two parts, the first of which will try to describe the tourism sector in three major areas, number one is through checking its historical background, number two is how it became the dependent sector in national economy and lastly its improvement from 1986 up to date. It also describes the challenges caused by the tourism sector to the community and some possible solutions to take up on this sector to improve its efficiency and remove barriers for the advancement of this sector. Also, this part will explain a bit about investment opportunities that are available in Zanzibar especially in the tourism sector, this part will give a briefly description on the barriers that facing tourism sector which leads to the absence of many investors to invest their capital in Zanzibar. The last part will provide best solutions to be taken so as to fix up all the setbacks and make this place suitable for foreigners investment and developing other sectors like infrastructures, social services, and expansion of employment opportunities for indigenous people.

Key Words: *economic, analysis, tourism, industry, Zanzibar*

JEL classification: *L83, Z32*

Introduction

The tourism industry in Zanzibar is only about a decade old in its modern sense, although interested travelers have always visited the island due to it is Aura of history, the role it played in slave trade, its political transformations and cultural relationship with foreign powers and countries such as Madagascar, Oman and Yemen. Known as the Spice

¹ Ramadan Issa Hemed, student of MA study, University of Dar es Salaam, Tanzania, Mwalimu Julius Nyerere Mlimani Campus, P.O. Box 35091, Dar es Salaam Tanzania, ramahchonde2794@gmail.com

² Duško Jovanović, Ph.D., associate professor at Faculty of Management and Economics in Kragujevac, Street Karađorđeva 52, dule.jovanovic.kg@vsem.edu.rs

Island, the beautiful island of Zanzibar on Africa's east coast is bursting with culture and history, seemingly at odds with its idyllic geography of white-sand beaches with palms swaying lazily in the sea breeze (Milošević et al., 2018). Altogether this makes Zanzibar a fabulous place to explore as well as a dream to relax and unwind. Zanzibar is the semi-autonomous part of Tanzania in East Africa. It is composed of the Zanzibar Archipelago in the Indian Ocean, 25–50 kilometers (16–31 mi) off the coast of the mainland, and consists of many small islands and two large ones: Unguja (the main island, referred to informally as Zanzibar) and Pemba. The capital is Zanzibar City, located on the island of Unguja. Its historic centre is Stone Town, which is a World Heritage Site (Tanzania Board of Tourism, 2019).

The Portuguese invasion and control of the Swahili Coast in the late 16th century ended the golden age of the archipelago, although the Omani Arabs returned to power less than a century later. Today, many of the winding streets and high townhouses of old Stone Town remain unchanged and visitors can walk between the sultan's palace, the House of Wonders, the Portuguese fort and gardens, the merchants' houses, and the Turkish baths of the old city. Day-long spice tours to working plantations offer visitors the chance to observe the cultivation of cloves, vanilla, nutmeg, cinnamon, and other spices that have made the island famous (AirTanzania company limited, 2019).

Zanzibar's coastline offers some of the best beaches in the world, but sand and surf vary depending on what side of the island you're on. On the east coast, waves break over coral reefs and sand bars offshore, and low tide reveals small pools of starfish, small minnows, and anemones. Up north, ocean swimming is much less susceptible to the tides, and smooth beaches and white sand make for dazzling days in the sun (Africa online safaris company, 2019).

The port city of Stone Town dominates the west coast, and although the beaches of Mangapwani, where slave caves are visible at low tide and nearby Bububu are less than half an hour's drive away, a night or two spent on the east or north coast is well worth the extra hour it takes to drive there. That said, the Chole Island Marine Park just off Stone Town – and nearby Prison, Grave, and Snake Islands – make a refreshing day-trip and a good break from exploring the winding passageways of the old city.

On the south coast of Zanzibar lies the Menai Bay Conservation Area, a sea turtle protection area for the endangered species that come to breed on the island. Roads to the southeast coast take visitors through the Jozani Forest, home to Zanzibar's rare Red Colobus monkeys and a number of other primate and small antelope species.

In 1984, a small number of tourists visited Zanzibar and many of those tourists would have been visiting friends and relatives that they had in Zanzibar. Also, most of them were Arab's and formers colonial masters of Zanzibar such as British and people from Asia.

The first hotels were built in Zanzibar in 1990-1992 and that was a starting point of the "modern tourism sector" in Zanzibar Island. Since then over 40% of all tourists to Zanzibar arrived through Nairobi (Kenya) and travelled to Tanzania (Zanzibar) through regional flights such as Air Tanzania, precision air, Zan air, coastal aviation and some private charters. In the year 2000 at least 42,000 people are estimated to have visited Zanzibar. Since then, the tourism sector has become the most successful sector which everyone's in Zanzibar has benefited from whether indirectly or directly (National Bureau of Statistics (Tanzania), 2019).

Results

The tourism sector in this beautiful island has been growing rapidly and raised other businesses in the island which depends on tourism sector. Wildlife activities are more pronounced in the Mainland while beach activities are more pronounced in Zanzibar, therefore, it is not easy to talk about the development of Zanzibar and Tanzania in particular without directly associating with tourism sector because it has a lot of positive effects on Zanzibar's economic achievements.

In Zanzibar more than 40,000 people have been employed in the tourism sector, a half of that number has been directly employed, such as small business owners, banks, fishmonger, grocery, forex, stores, entertainments places are all benefiting either directly or indirectly from tourism therefore tourism sector contributed in solving un-employment problem for Zanzibaris. Although some people might think that they are not beneficiably from tourism sector due to unseen benefits or by not understand how the cycle of money (economic circulation), for example local food vendors famous known as "mama lishe" or motorcycle

passengers pick up also known as "boda boda" are also benefited through some tour guides and hoteliers are using these local services and paying them so the flow money started from tourists to the hotel's owner up to the hoteliers hence the end users are such people of local food vendors as well as motorcycle drivers. The tourism industry helped the government (Ignjatijević et al., 2017) to eradicate the scarcity of employment opportunities for it is people especially youth and women. This sector touches everywhere and everyone through different ways. Money paid by tourists or the government as taxes and charges are used in stabilizing health system, educational matters and other social affairs. Hence every citizen gets important services from government. It also helps the government to collect revenues from different sub sectors under tourism such as transportation services, hotels, tour agencies and from ports.

It is clearly that tourism sector in Zanzibar is the leading sector in provision of employment opportunities to the people but also have contributed to the formations of different associations and organizations related to the provision of services in the tourism sector. Organization's formed include Zanzibar tourist cooperation (ZTC), the Zanzibar association of tourism investors (ZATI) and Zanzibar association of tour operators (ZATO) and few others all aiming to promote and grow the tourism industry in Zanzibar, this is the reason there are Annual Diaspora Homecoming conferences which is held every year and the theme of these Conferences is to Convince and attract the Tanzanians who are living abroad to come back home and invest in tourism sector, under these conferences the government is the main coordinator and re-call for these conferences, for example the annual diaspora homecoming was held in Zanzibar Beach Resort from 24th to 25th August 2016 and the Opener of the Conference was his Excellency President of Zanzibar Ali Mohammed Shein, that signifies the commitment of the Government in encouraging Tourism sector in Zanzibar. The conference attracted about 450 participants including Tanzanians living abroad and returnees and stakeholders from public and private sector. The theme of the conference was 'Bridging Tanzania Tourism and Investment: A New Outlook'. The aim of the conference was to engage and encourage Tanzanian diaspora to participate in tourism business as a means to promote investments in the country.

Tourism has positive impacts on infrastructures such as ports (Bićanin, 2018), airports, roads, medical services and security services as these have been gradually improved for the sake of saving both Zanzibaris and

foreigners. The government is always trying to update and make frequent maintenance so as to meet the standards and to attract tourists to come due to the accessibility of such infrastructures, also re-establishments of Air Tanzania which provides multiple option for regional flights and for Africa market due to the presence of routes within the Africa countries, but also the existence of partnership with other international Airlines like Turkish Airlines launched three times weekly flights between Istanbul and Zanzibar on 12 December 2016. The opening of new route to Zanzibar is the reflection of the increased number of visitors to the destination.

Also advancement of human living standards (Dogru et al., 2019), upgrading of community welfare and social surroundings, such as good street roads and presence of water supply due to the existence of hotels and apartments near by people's houses, also due to the fact that many people earn their daily income from this sector and uses their salaries in building and improving their houses as well as their level of living.

In Zanzibar there have been admirable improvements of hotels for tourists and still most of the investments are in tourism. So far there are more than 7,995 hotels including guest houses, with about 7,313 rooms and total of 144 tour operators companies have been registered, as the number of tourists increases gradually and every year.

Eventually the tourism sector was flourishing in Zanzibar around 1986 and 2007, the number of tourists visiting the island rose from 29,211 to 143,282 assure sign of growth. Between 2010 and 2013, also the number increased from 169,233 to 181,243. The domestic tourists who were about 250,000 Zanzibaris (Tanzanian) raised up to 400,000 tourists in 2013, therefore the more the number of tourists increases is the more people earns a lot of money and improve their living standard and growth of some small business to the middle or moderate level from the bottom.

Therefore it is fair to say the tourism industry is getting improved year after year, and the governments of Zanzibar had officially termed this sector as backbone for the national income through taxes and the major sector that employs a lot of its citizens. Up to now it estimated to employ more than 75,000 thousands people, with permanent employment, some with temporary employment and others self employed in this sector, like hand craft men, ornaments makers and translators all of them are depending on this sector.

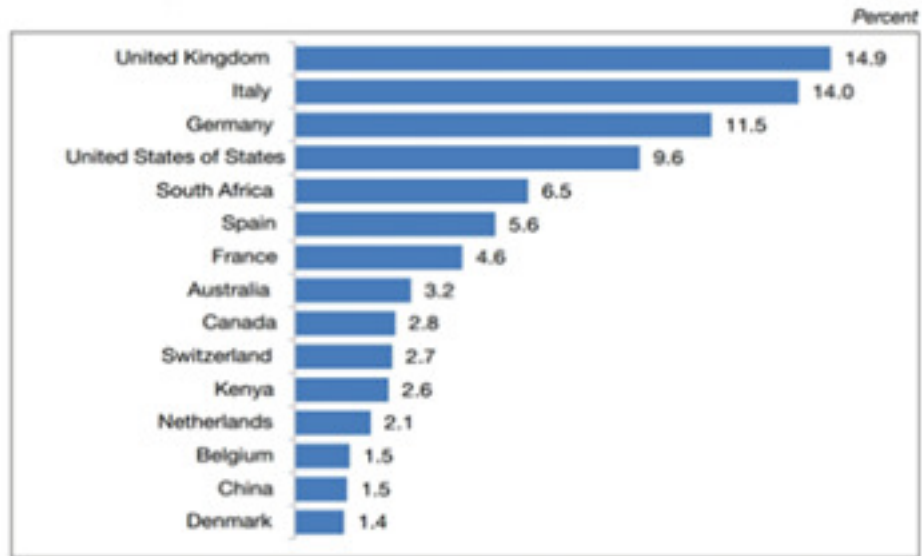
Zanzibar has now been witnessing the influx of tourists which is increasing every year and becoming the famous island worldwide. For tourists there are some reasons for its attractiveness: its attractions, one of them is Zanzibar (unguja and pemba), it has beautiful beaches with white sand and good climatic conditions through over the year, such the beaches lead tourists to come and have fun through the areas around the Indian ocean. Secondly, Zanzibar as other African countries had colonized by different foreigners such as Arab's and Europeans, in Zanzibar there are something different with other countries, such as cultural heritage and life style of Zanzibar is has been a major attractions for tourists to come here (cultural tourism) (Mandarić et al., 2017). Also, Zanzibar has become the favorite place due to its role that played in slave trade, slave markets, presence of old buildings that were good designed and sustained for more than last four hundred years, thirdly the presence of natural forests that keeps some wild animals (Whittington et al., 2019) such as monkeys, small antelope, snakes, different aquatic organism and red bats. Fourthly, Zanzibar has a good climate and many birds around the forests and those flies over the ocean, and nearby beaches, that attract tourists to come and visit this island, and lastly is presence of enough security and peace among indigenous towards foreigners.

This enhanced tourists to come here frequently and to love this place for tourism purpose unlike other places like in Somalia or Congo due to insecurity and they does not live well with foreigners. But another key important thing is the presence of conducive and favorable services for tourists. Here, in Zanzibar, tourists are treated very nicely with both people in local areas and with government. The presence of banks and agencies has made people from outside of Zanzibar feel like their home and stay comfortably and the last point that made Zanzibar as the most attractive place for tourism is due to the accessibility of investment opportunity (Mihajlović et al., 2016) in Zanzibar some tourists used to come so as to see in which sector they can invest and how they can invest their capitals, like in transport, tourism, hotels, schools and even in football, thus what made people from other countries impressed to visit Zanzibar frequently.

The above factors has led Zanzibar to be a destination of many tourists, hence the sector itself is growing up in every year, for instance the case of Zanzibar, the top 15 source markets accounted for 84.3 percent in 2016 compared to 82.4 percent in 2015. Similarly, the list of the top 15 source markets changed slightly whereby Italy has been replaced by the United

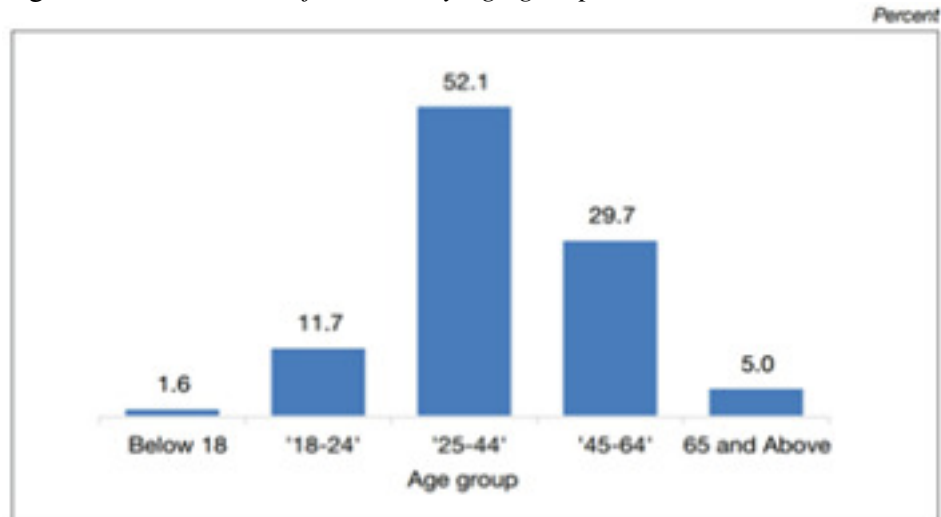
Kingdom in the leading position. The top 15 source markets have remained the same except Denmark, which has replaced the United Arab Emirates. See Figure (1)

Figure 1: *Top 15 source markets for Zanzibar in 2016*



Source: https://www.nbs.go.tz/nbs/takwimu/trade/The2016_International%20Visitors'_Exit_Survey_Report.pdf

Figure 2: *Distribution of visitors by age group, Zanzibar 2016*



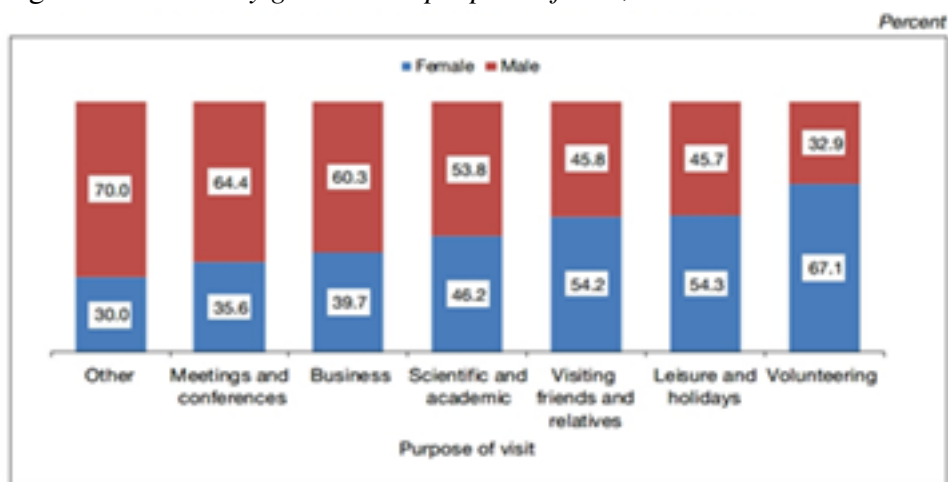
Source: https://www.nbs.go.tz/nbs/takwimu/trade/The2016_International%20Visitors'_Exit_Survey_Report.pdf

The tourists who come in Zanzibar are of different ages and types. For instance, out of 6,895 visitors to Zanzibar, the largest proportion was at the age group of 25–44, which accounted for 52.1 percent (Figure 2). Visitors under the age group of 65 years and above and below 18 years were the least accounting for 5.0 percent and 1.6 percent respectively.

It reveals that the majority of the visitors with the age group of 25–44, came under the non-package tour arrangement. Visitors of the age below 24 years preferred the non-package tour arrangement while visitors above 44 years of age had a higher preference for the package tour arrangement.

The following are the results which shows that, by gender, in terms of the purpose of visiting Zanzibar, the male visitors mainly came for business, meeting and conferences and scientific. Female visitors mainly comes for leisure and holiday, visiting friends and relatives and volunteering, see Figure (3)

Figure 3: *Visitors by gender and purpose of visit, Zanzibar*



Source: https://www.nbs.go.tz/nbs/takwimu/trade/The2016_International%20Visitors'_Exit_Survey_Report.pdf

The following Table (1) indicates that the majority of the visitors to Zanzibar who came for leisure and holidays as well as visiting friends and relatives under the package tour arrangement were from Italy and Germany. South Africa dominated in the business, meetings and conferences categories. The majority of the visitors from Denmark, Spain and the United Kingdom came for volunteering purposes.

Table 1: *Distribution of visitors under the package by purpose of visit, Zanzibar*

Top 15 Source markets	Purpose of Visit							Percent
	Leisure and holidays	Visiting friends and relatives	Volunteering	Meetings and conferences	Business	Religion	Scientific and academic	
United Kingdom	14.6	10.7	18.2	6.7	0.0	100.0	0.0	
Italy	21.8	37.3	6.1	0.0	33.3	0.0	0.0	
Germany	13.8	32.0	0.0	0.0	0.0	0.0	50.0	
United States of America	11.2	5.3	0.0	6.7	0.0	0.0	0.0	
South Africa	10.0	5.3	0.0	53.3	44.4	0.0	0.0	
Spain	5.8	0.0	18.2	0.0	0.0	0.0	0.0	
France	5.0	0.0	0.0	0.0	0.0	0.0	0.0	
Australia	5.0	0.0	6.1	0.0	0.0	0.0	0.0	
Canada	2.5	6.7	0.0	0.0	0.0	0.0	0.0	
Switzerland	3.2	0.0	9.1	0.0	0.0	0.0	0.0	
Kenya	1.4	0.0	0.0	33.3	0.0	0.0	0.0	
Netherlands	2.1	0.0	0.0	0.0	22.2	0.0	0.0	
Belgium	1.1	0.0	0.0	0.0	0.0	0.0	0.0	
China	1.8	2.7	0.0	0.0	0.0	0.0	0.0	
Denmark	0.8	0.0	42.4	0.0	0.0	0.0	50.0	
Total	100	100	100	100	100	100	100	

Source: https://www.nbs.go.tz/nbs/takwimu/trade/The2016_International%20Visitors'_Exit_Survey_Report.pdf

Disadvantages brought by the tourism sector in the Zanzibar's community

Apart from the mentioned advantages from tourism industry, there are also the negative impacts from this industry; among the negative impact is an excessive production of waste and environmental degradation, tourism has contributed to the productions of wastes both requid and solid waste, for instance there are reproduction of untreated water(sewage) from hotels and apartments which are directed into the sea and pollute the water, also there are production of plastics which are brought directly from outside which are not easier to decomposed and disposal from human surrounding.

Cultural destructions, also this sector has led to the cultural destruction of people in Zanzibar, tourists came with their own culture and life style such as dressing and other European's way of life hence some young people tends to imitate everything from western people hence they went off their way of life (Swahili culture) that has basically identified them as

Africans and therefore it reduces the wealth of Zanzibar is cultural heritage that seen as a beauty for tourists to come and see.

It discourages the advancements of educational sector, due to the tourism flourishing in Zanzibar has been over shadowed other sectors such as education sector, since this sector has become a major economic activities which helps people to earn their daily meal and fulfilment, hence parents are not active in influencing their children to study hard instead young students are early engaged in playing football and being tour operators(guiders) at the schooling age since tourism does not need much education and has becoming the dependent sector for economic advancement of people in Zanzibar, then it reduces the number of educated youth in Zanzibar while weakening the sector in general and strength the tourism sector at the same time.

Discussion

Tourism in Zanzibar on investment opportunity side. This sector has become the major sector in economic growth of Zanzibar, hence it is easier for people to invest in this sector become the government and its people are watching this sector as the only way for them to earn income especially people living in urban areas, the government collect different revenues through taxes and some fees which are primarily the another source of income. in Zanzibar tourism sector has been given a big room and priorities for people to invest, thus why there are improvements of different sub sectors which work together with tourism sector such as transport sector and business sector (Tasić, 2018), in Zanzibar due to the presence of enough land hence it provides the chance for other people to come and investing on this sector like building tourists hotels, apartments and restaurants, the accessibility of land has going together with the availability of other resources especially building materials like timbers, stones and trees for furniture making.

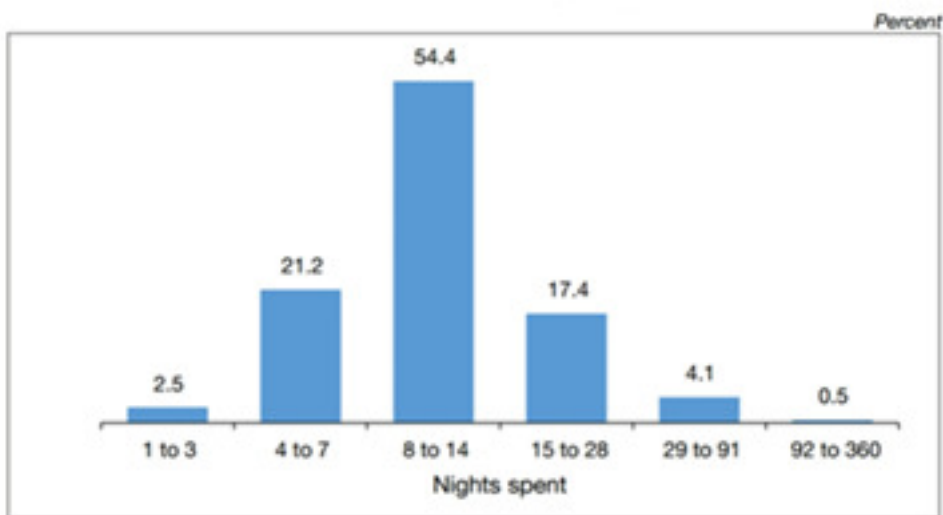
Availability of workers; Zanzibar there are plenty workers especially young ones due to unemployment rate being in a high number. Hence, it is obviously easy to get man power for any initiation of different project such as building of hotels and apartments, since in any construction it needs both skilled labor and unskilled labor for completion of a particular project, here the issue of man power it is no longer a problem, but this people not only available in initial stage of projects but also the same number people who can work in constructions are can be seen in

provision of services(hoteliers).therefore due to this case it can be concluded that the presence of human resource in Zanzibar paving the way for foreigners to come and invest in this place comfortably with assurance of having both land and human resources.

Presence of physical and social infrastructures; there are good infrastructures especially physical infrastructure like roads with tarmac, airport and the big harbor that save the peoples demands, despite of being the small island but the governments has made alloy of effort to make sure that every now and then the roads are updated through frequent maintenance and the airport also get some modifications so as to meet the international standards for aviation's but again the government has tries to pull up and to speed up the rate of working in harbor so as to import and export different goods in very quickly and few days after a ship la land in Zanzibar, this has been an important factor for the people who wants to invest in tourism sector, since there is no way investors to come here in Zanzibar without having prior knowledge on transportation system and how it works. Also the presence of social infrastructure such as water service and health services has been a big attraction factor for investors to come and invest on this island, in this place water is no longer a problem and even it is supplying system is favoring the people and attract investors to come in and put their money on it, also availability of hospitals and small health stations like dispensaries has been a major factor for foreigners to come and invest in Zanzibar.

Frequent arrival of visitors (tourists) in Zanzibar; This is a key factor for investment in Zanzibar especially in hotels and guest house, since these visitors are spending a lot of money here while visiting, the survey results of Tanzania Annual arrivals and statistics show that an overall average (almost half of visitors) length of stay of persons who visited Zanzibar was 8 nights slightly lower than 14 nights recorded during the past five years. This is partly due to the increase in the number of the visitors from the neighboring countries whose length of stay is shorter. For instance, visitors from Burundi and Kenya (Melubo & Carr, 2019) spent an average of 4 nights. Visitors from Germany and Spain stayed the longest with an average of 14 and 13 nights, but also there are some visitors who stay more than a Month as shown respectively in the (Figure 4). These results are consistent with the previous findings, whereby visitors from long haul source markets stayed the longest.

Figure 4: *Distribution of visitors by the nights spent, Zanzibar*



Source: https://www.nbs.go.tz/nbs/takwimu/trade/The2016_International%20Visitors'_Exit_Survey_Report.pdf

Average expenditures for foreigners (tourists); The survey results indicate that the overall average expenditure per person per night was USD 178, compared to USD 199 recorded in 2015, which is a decrease of 10.6 percent. The decrease in the average expenditure per person is partly explained by the increase in the number of arrivals from the neighboring countries whose expenditures are lower. The average expenditure per person per night for visitors who came the under package tour arrangement was higher (USD 290 per person per night) than for those who the used non-package tour (USD 131 per person per night). Business visitors under the package tour arrangement spent an average of USD 386, compared to those who came for leisure and holidays as well as visiting friends and relatives. On the other hand, visitors who come for leisure and holidays spent a lot more under the non-package tour arrangement. In contrast, tourists who came to visit friends and relatives spent the least under the non-package tour arrangement.

Adequate security services and peace; in Zanzibar there are a lot of security units which are working day and night to make sure that people and their properties are safe and living in harmony conditions regardless of their nationality, so even foreigners when they come in Zanzibar to visit or seeing the chance for investments are getting interested since the security system and services are good and motivating investors to come

and put their capitals with assurance of being safe all the time of their investments.

Good weather conditions; in Zanzibar there are good weather and climatic conditions that last in many months around the whole year, here in Zanzibar there are not such kind of heavy rainfall or winds which may cause the destructions of properties and loss of peoples life, it has a nice a lovely climatic conditions with standard temperature and normal cold at sometimes, so sometimes investors used to like this conditions and they term this place as their second home.

Conclusion

There are some challenges that limit investors to come and put their money in Zanzibar. Some of those challenges are insufficiency of infrastructures, both social and physical, such as few hospitals especially international hospitals which contain a lot of specialists and treatment equipment, absence of enough roads with traffics jam in the town roads. Also some of roads are not well maintained and reserved, the airport also its not big enough to accommodate many people at once and it is not big enough alike others this has made some tourist to land directly in Kenya or Tanzania mainland and coming in Zanzibar through boats and small regional flights. Another issues is on this side is frequent electricity cuts off, this has become another source for people to come and invest a lot in Zanzibar since there are no guaranteed for having constant electrical supply throughout the month so it sometimes required them to have an alternative power source like generator hence cost of operating increases. Water at Zanzibar are presence but safely for drinking so the suitable water for drinking is somehow cost and difficult to have it hence the hotel owners prefers to extract their own permanent source of water like well or pond.

High taxations for investors; every country has a tax but in this island taxes for investors are too high and some of them are just unnecessary for investors hence some of them opted to invest on other countries with affordable taxes and money regulations. For example, in Zanzibar, if you want to invest in hotels business or apartments an investor will be required to buy the plot, or renting it for some years and on this initial stage people are selling their plots in very high price since they are aware of that place being taken by foreigner for a business, it is estimated a plot of 50 by 50 square meters sold up to 65,000 US Dollar, and after buying

that plot ones will require to pay a certain percent to the local government, another for the central governments so as to process the title deed, another cost that an investor will have to take is to employ a lawyer who will follow up all legal issues on behalf of investors again an investor will need to pay for his work permit and every one who will come to work in Zanzibar only if they are not Tanzanian, the lastly but not least is investors must pay for every importation of materials and equipment from abroad in Zanzibar's ports, but this not ending point of taxes and monetization in Zanzibar since even completed everything from mentioned above there would be the payments for licensing and annual taxes to the governments, so such taxes and payments system introduced for foreigners has made investors to run away from putting their money in Zanzibar due to this unnecessary payments and conditions for investors especially for foreigners.

Tourism industry is a seasonal business; tourism in Zanzibar is a seasonal business whose work rate depends on the season, it is not full time business like other sectors such as transport sector but this sector is dictated by the season (climatic change), for instance tourist used to come in the summer time from May to October and holiday days but the rest of the time just few of them are coming in Zanzibar hence weakening the sector, another key fact from this seasonality business is during rainfall season especially in February, March and April the number of tourist tends to decrease since many tourists are not interested to come here during rainy season, at that time beaches are not so much good and every transport systems especially roads are not conducive during rainy season, also during the hot season where the temperature is too high and rise up to 32 ° C especially, November and January hence many tourists do not prefer too much hot and plan of going other places instead of Zanzibar or only few of them are coming here due to the climatic condition, the last thing to know from this seasonality business it's the variations of foreigners characteristics (periods of the year) in visiting different places for example Italians like to visit in August, New Year and February, Spanish used to come in June, Swiss comes in October to December. Therefore, many investors do not like to put their capital in this sector since it does not assure to refund their capital and earn profits thus this seasons business has few people who managed to put their money on it, many are afraid of paying workers while they are not working effectively or paying other bills like electricity and water bills while customers are very few or sometimes absence at all, it has witnessed some hotels lack customers during those season where tourists are not many.

Presence of many hotels and restaurants (intensity competition in hotels business); according to the executive secretary of Zanzibar tourism commission, there have been admirable improvement of hotels and tourists and still most of investments are in tourism. so far there are more than 7,995 hotels including guest houses. And more than 144 tour operators. From this point it is clear that in Zanzibar the investments in hotels and apartments have taken place since many days back, hence it is difficult for the new investors to create their own new market since even the potential areas such as nearby the beaches they are all occupied by the people and built hotels, it is known that for the time being If ones wants to build an hotel he or she will require to build a far distance from the ocean view and many tourist likely to stay near by the beaches, so what is the challenge here is once ones construct an hotel far distance from the ocean view will have few dwellers and he or she will supposed to reduce the price for sleeping per one night so as to accommodate the guest, but the risk here is on owners side once the cost of operating the apartments like paying bills like food, electricity, water as well as workers' salaries does not dictated by the distance of hotel to the beach while the price for people to sleeping is decided by the distance to the beach.

Areas to improve in the tourism sector for the sake of improving it and impress foreigner to come and invest, about 41 percent of the visitors expressed their concerns on the conditions of roads and other facilities such as congestion at the entrance to the parks. They were also concerned with traffic jams to and from the Aaman Abeid Karume International Airport. Airport facilities like inadequate number of washrooms and cleanliness, defective air conditioners; and slow visa processing were also identified as areas that need improvement. Other concerns were lack of transparency in pricing and information on the tourist attractions and conservation measures. Visitors also complained about unacceptability of credit cards at most of tourism establishments and inadequate Automated Teller Machines (ATMs).

Another part that needs some modifications is related to the security service, The government should think of recruiting police offers for guiding and secure tourists in all time that they will in this country, that will be helpful for them to feel much free and secured or safe. This implies that there is a need for the government to design a specific package and facilities which that will meet their specific needs like that of special security services as how in Dubai made this system to accommodate all tourists, so there should be security services specifically

for foreigners so as to eradicate some people who are disturbing tourists and pretends to be tour guiders or sales men and putting guests under fear.

Openness and Clarity of prices for goods and services that are provided in different areas like transportations, food and hotels prices should be cleared before the tourist landing to the destination, that will help them to prepare a reasonable budget and enough money for the whole time that he or she will spend in Zanzibar for tourism activities. Improvements of social infrastructures such as health services and water services for tourists, there should be more hospitals and health centers under workers with professionalism in their duties, provision of services and in approaching different kind of people like tourists from different countries.

The government must create suitable conditions for both foreigner and local investors to be impressed to put their capital in the tourism sector here in Zanzibar, such suitable conditions like removal of Beaurocratic in attaining different documents like Building licence, property licence, tittle did, unnecessary taxes and earnings from investors, there should be Common-sense and Uniform taxation system by doing so it will open up the new way for tourists and investors to rethink of investing in Zanzibar especially in tourism sector, compared to the current situations where it seems to have a lot of processes which some of them are not necessary they are just there to create beaurocratic and as way for money earnings.

Conclusively; the tourism industry in Zanzibar has become the major economic factor for the people of Zanzibar and its government, but there are some hinder points which should be considered in improving this industry, since once visitors raised concerns of lack of good services, unequal distribution of services with the amount paid for services, public toilets, transparency in pricing, information on the tourist attraction and conservation measures. There is a need of enhancing availability and accessibility of information materials to tourists at both source markets and entry points. The materials can be in form of leaflets, guide maps and brief handbooks, describing information about places to be visited. In addition, the owners of tourist establishments are urged to display the price list for their products.

References

1. Bićanin, J. (2018). Mogućnosti razvoja ruralnog turizma na području opštine Trstenik. *Ekonomika poljoprivrede*, 65(1), 355-372.

2. Dogru, T., Isik C., Sirakaya-Turk, E. (2019). The balance of trade and exchange rates: Theory and contemporary evidence from tourism, *Tourism Management*, No. 74, 12-23
3. Air Tanzania Company limited,(2018),<https://www.airtanzania.co.tz/9-zanzibar> (18 March 2019)
4. Africa online safaris company. (2019). <https://www.africaonlinesafaris.com/zanzibar-2/> (18 March 2019)
5. National Bureau of statistics (Tanzania) https://www.nbs.go.tz/nbs/takwimu/trade/The2016_International%20Visitors'_Exit_Survey_Report.pdf (15 March 2019)
6. Tanzania Board of Tourism. (2019). The official tourism portal for Tanzania;<https://www.tanzaniatourism.go.tz/en/destination/zanzibar-island> (18 March 2019)
7. Ignjatijević, S., Čavlin, M., Vapa-Tankosić, J. (2017). Međunarodna pozicija Srbije kao destinacije za medicinski turizam. *Vojno delo*, 69(8), 369-378.
8. Krejić, Ž., Milićević, S. (2018). Nastanak putničko-agencijske delatnosti u Jugoslaviji kao pokretač razvoja kulture putovanja. *Kultura*, (161), 39.
9. Mandarić, M., Milićević S., Sekulić D. (2017). Tradicionalne vrednosti u funkciji promocije Šumadije i Pomoravlja kao destinacije ruralnog turizma. *Ekonomika poljoprivrede*, 64(2), 787-803.
10. Melubo, K., Carr, A., (2019). Cevolving indiqenous tourism in te bomas: critiquing issues from within the Maasai community in Tanzania, *Journal of Heritage Tourism*, 14(3), pp. 219-232
11. Mihailović, M., Krstić, S., Šegrt, S., Pavlović, D., Jovanović, D., Simeunović, T. (2016). Ekonomska analiza uticaja koncentracije tržišta mleka na efikasnost nabavki u sistemu odbrane. *Ekonomika poljoprivrede*, 63(3), 973-985.

12. Milošević, G., Vuković, M., Jovanović, D. (2018). Taxation of farmers by the income tax in Serbia. *Ekonomika poljoprivrede*, 65(2), 583-696.
13. Tasić, J. (2018). Budući trendovi i pravci razvoja ruralnog turizma u Srbiji i u svetu. *Oditor - časopis za Menadžment, finansije i pravo*, 4(3), 7-19.
14. Whittington, J., Low, Pl, Hunt, B. (2019). Temporal road closures improve habitat quality for wildlife, *Scientific Reports*, 9(1), 3772.

PERFORMANCE INDICATORS FOR MEASURING TOURISM DESTINATION COMPETITIVENESS WITH A FUZZY METHOD

Zoran Ćirić¹; Otilija Sedlak²;

Abstract

The destination image is an important aspect of successful tourism management and destination marketing. The purpose of this paper is to identify those destination features which contribute to build a positive destination attractiveness and to analyze the relationship between those features and the choice of destination by tourists. Accordingly, this study is based on previous research on the impact of tourist information sources in destination promotion. This article is an attempt to prepare a decision by the use of the fuzzy method of ordering alternatives (i.e. aims), and to set priorities among some alternatives and criteria, in the decision-making situations where there are multiple decision-makers, multiple criteria. Under the existing circumstances containing fuzzy characteristics, there is a wish to achieve radical improvements in the production management and decision making. Factors influencing the attractiveness of the destination and its tourism offer can be used to build a methodology for ranking of tourist destinations.

Key Words: *digital transformation of tourism, multiple attribute decision making, destination competitiveness*

JEL classification: *Z32, C61, M31*

Introduction

Tourism has reached world importance in the economy. The competition in tourism has intensified between destinations, whether the destinations are cities, regions or countries (Tovmasyan, 2016). In this sense, the evaluation of the tourism competitiveness of these destinations may be helpful in planning and prioritizing actions that will benefit the industry.

¹ Zoran Ćirić, PhD, Professor, University of Novi Sad, Faculty of Economics Subotica, Segedinski put 9-11, +38163553740, zoran.ciric@ef.uns.ac.rs

² Otilija Sedlak, PhD, Professor, University of Novi Sad, Faculty of Economics Subotica, Segedinski put 9-11, +381638236181, so0609967@gmail.com

This article discusses the concept of competitiveness by the multidimensional view of performance, efficiency and unit analysis.

The classical decision making operates with a set of alternatives over the space of decision, a set of states of affairs over the space of the state of affairs, relation pointing to states or outcomes expected from each of the alternative actions, and finally, the utility or the goal function, which arranges these outcomes in accordance with the desired outcome. Decision making is said to be performed under conditions of certainty, when the outcomes of any action can be precisely determined and arranged. In such cases, alternatives are chosen that lead to outcomes with maximum utility. On the other hand, a decision is made under conditions of risk, when the only knowledge available regarding the state of outcomes is their probability distribution. Based on the previous theoretical discussion regarding image, an empirical research was conducted to test the relationship proposed here. The subject of the decision making discipline is the study of how decisions are really made, and how they can be made better and more successful. The predominant focus of this discipline was in the area of business decision making, where the decision-making process is of key importance for functions such as investment, new product development, resource allocation, and many others.

In any real-life situation, including the decision making and management fields – whether it is about setting goals and formulating strategies, or selecting, implementing and monitoring the selected strategy – many processes are unfit for mathematical modeling. In normal real-life situations in various areas of human activity, very often we do not know the equations for most non-linear processes and systems and therefore resort to approximation.

Fuzzy systems approximate those equations. Fuzzy systems enable us to make optimum approximations of the non-linear universe. If it is possible to build a mathematical model, we shall use it. There is always a question: how can we know that mathematical approximation corresponds to a process in reality? Fuzzy systems enable us to model the universe in linguistic terms, rather than forcing us to write a mathematical model of the universe. The technical term for it is *model-free function approximation* (Sedlak et al., 2013). Here is important to emphasize that for many knowledge-intensive applications, it is important to develop an environment that permits flexible modeling and fuzzy querying of

complex data and knowledge including uncertainty (Koyuncu & Yazici, 2005).

In practice, we often find models where multiple attributes take part in decision making simultaneously. This paper is an attempt to prepare a decision by the use of the fuzzy method of ordering alternatives (i.e. aims), and to set priorities among some alternatives and criteria, in the decision-making situations where there are multiple decision-makers, multiple attribute and multiple periods.

Problem description

The sense, value, manner and process of decision-making problems are determined by the cultural, social, temporal, value, as well as logical context. Fuzzy logic was developed more than five decades ago. The characteristics of fuzzy logic include operating by fuzzy notions, imprecise authentication tables, and fuzzy inference rules. All these characteristics of fuzzy logic are highly important, especially if we try to exchange or supplement the long-dominating approach of strategic decision making with the descriptive one.

The fuzzy set theory and various mathematical reviews, the measures of uncertainty and information have an unlimited possibility of application in all the fields of sciences using a lot of information and data, like for instance, in decision-making. The contexts of strategic management are under the conditions of uncertainty and indefiniteness (Dubois & Prade, 1980).

The criteria, limitations and performances of measures of alternatives bear in themselves some aspects of indefiniteness: in determinativeness, multiple aspects of meaning, incompleteness and fuzziness.

Fuzzy Linear Programming

Operational research offers optimization models aimed at finding an activity programme that will yield the best possible results. The models use precisely determined and known data. Constraints are also precisely determined, and the goal function is clearly defined, so that it can be formulated easily and simply.

The reality, however, is different: very often we lack precise information on the value of individual input parameters, or the values of coefficients in constraint and goal functions, and imprecise formulation of limitations themselves is possible as well (Maier, 2008).

Fuzzy sets can be introduced into the existing decision-making models in several ways (Sedlak et al., 2010). As an economic institution, a company bases its existence on the environment, both from the aspect of providing input and from the aspect of achieving and valorising input.

Miscellaneous knowledge and experience, and also decision making in the areas of investment, market operations, financial function, production function or research and development, can be considered more fully and exactly applying fuzzy sets. Under the existing circumstances containing fuzzy characteristics, there is a wish to achieve radical improvements of the production management and decision making.

The need arises for choosing an appropriate corporate goal out of the available possible alternative goals. When accomplishing and executing the alternatives, the company achieves different levels of increase in sales (because, although the subject issue is decision making on production, one must bear in mind that the ultimate goal of production is a sale of the produced commodities).

In addition to many constraints under the given conditions, one must particularly bear in mind limitations, i.e. constraints such as:

- that the selected alternative (goal) is to be accomplished in the shortest possible period;
- that investment in accomplishing the selected alternative should not be excessive.

The goal of decision making is a large number of sold products. The decision must best meet the goal and constraints of the given problem.

The nature of the problem displays the characteristics of uncertainty and vagueness. The need for fuzzification, i.e. fuzzy decision-making systems from the fact that the decision maker is faced with a large number of scenarios and sub-scenarios out of which the optimum must be chosen, and the imprecision of input data results from a subjective approach in interpreting *per se* vague information.

The Mark Giving Method

The basic prerequisite to apply fuzzification for obtaining more effective instruments for using different kinds of uncertainty, as well as for using the natural language in modelling decision-making, in the field of business decision-making of hierarchical level, faces a whole range of problems which cannot be solved by the methods of classical quantitative analysis.

Above all, we would point to the following problems:

- ambivalence of aims,
- variability of factors,
- subjectivity of sight,
- linguistic description of variables.

In practice, we often meet models where multiple criteria take part in decision-making simultaneously. This article is an attempt to prepare a decision by the use of the fuzzy method of ordering alternatives (i.e. aims), and to set priorities among some alternatives and criteria, in the decision-making situations where there are multiple decision-makers, multiple criteria, and in the multiple time periods (Ćirić et al., 2015). The applied method of evaluating in this article is based on the usual assessment, i.e. marking method used in education.

The mark-giving method, very similar to R. Jain's ordering method, is based on the weighted aggregation of marks (Jain, 1997). As mark processing can be described by many rules, the method forms a fuzzy set of extra marks by the aggregation on the basis of rules, and it can also be programmed as a fuzzy system. The values of criteria, which describe alternatives, are given as marks. An extra mark is assigned to every alternative, aggregating fuzzy sets of marks which describe alternatives. Alternatives are ordered on the basis of extra marks. The mark-giving method based on examples can be generally applied for ordering (Sedlak et al., 2013).

The method is applicable if the values of criteria can be treated as marks (or if they can be transformed into them).

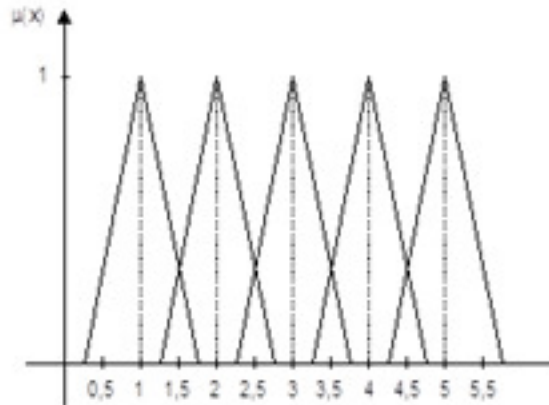
Let us assume $x=\{a_1, a_2, \dots, a_n\}$ is the final set of alternatives, and then take $K=\{k_1, k_2, \dots, k_m\}$ as the final set of fuzzy criteria. Let $g_1, g_2, \dots, g_m$ be the weights belonging to criteria, where the maximal value of the weight is 1.

Let every K_j fuzzy criteria be over x a linguistic variable ($1 \leq j \leq m$), also letting $K_1 = \{S_1, S_2, \dots, S_{p1}\}$ where $S_1, S_2, \dots, S_{p1}$ are the values of the linguistic variable. The functions of belonging (μ) $S_1, S_2, \dots, S_{p1}$ to fuzzy sets are determined on the basis of marks:

$$\begin{array}{ll} \mu_{S1}(x) & \text{supp } S1 = [0,4;1,6] \\ \mu_{S2}(x) & \text{supp } S2 = [1,4;2,6] \\ \vdots & \vdots \\ \mu_{Sp_j}(x) & \text{supp } Sp_j [p_j-0,6;p_j+0,6]. \end{array}$$

Let every function of belonging be over the sets of the same form of a triangular fuzzy set. The degree of marking (p) can be any whole number, but the exactness and possibilities of expression differ from case to case (Figure 1 represents the fuzzy sets of the criteria K , in the case $p=5$). The alternative a_1 (IS i S_n) with $S_1, S_2, \dots, S_{p1}$ fuzzy sets of criteria can be evaluated.

Figure 1: *Triangular fuzzy set (Kosko, 1992)*



The mark-giving method assigns every alternative a_1 one fuzzy set R_i , i.e. extra marks, which will appear in one E fuzzy set of results. The set E will enable the set R_i to be compared, as well as the set R not to be defined. The set E is a fuzzy set identical with the set of criteria:

$$E = \{S_1, S_2, \dots, S_p\}$$

where $K = \max P_j$ ($j=1,2,\dots,m$), and every R set will be formed on the basis of partly activated subsets of the E set.

Copying and aggregations of fuzzy sets are necessary for forming R_1 sets. In the program package of fuzzy logic, which is applicable, these operations can be performed only with the help of such program blocks which the program package treats as Kosko's FAM (fuzzy associative memories) (Kosko, 1992).

One simple FAM system copies n dimensional fuzzy sets into m dimensional with K parallel FAM rules and their simultaneous use $(A_1, B_1), (A_2, B_2), \dots, (A_k, B_k)$. Every A -input information activates rule of the FAM system in a way every. (A_i, B_i) is FAM rule and has the form:

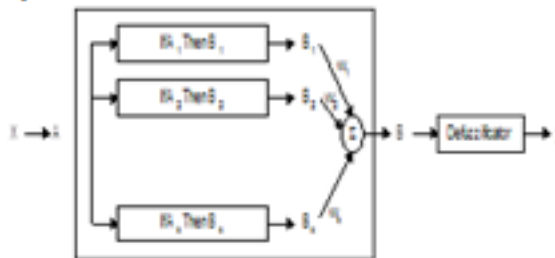
$$\text{IF } C = A_i \text{ THEN } D = B_i$$

(where C, D are linguistic variables, and A_i, B_i are their possible values). Input information A is copied into the part of B_1 set, which is partly activated into B_i . The B set is produced from the whole FAM system, which is the weighted sum of partly activated $B_1, B_2, \dots, B_k$ fuzzy sets:

$$B = w_1 \cdot B_1 + w_2 \cdot B_2 + \dots + w_k \cdot B_k$$

where W_i values in the interval $(0,1)$ designates the weights of FAM rules. One procedure of defuzzification is directly connected to the FAM system, which assigns one sole number to the B fuzzy set (Table 2). The focus point in the B set is given by the COG (Centre of Gravity) Method.

Figure 2: FAM system (Kosko, 1992)



Input data of the program block are the marks of the criteria: $o_1, o_2, \dots, o_m$. Any o_j mark of the given values of the criteria $S_1, S_2, \dots, S_p$ partly activates one or two neighbouring ones, and FAM rules copy these partly activated sets into the E set. The R_i set is a weighted sum, even more times, of partly activated $S_1, S_2, \dots, S_{pi}$ sets.

In the course of functioning, the FAM system, one series of marks $o_1, o_2, \dots, o_m$, belonging to one a_i alternative, partly activates $S_1, S_2, \dots, S_{pj}$ sets, which are located in the part of the conditions of the FAM system. In the

same way, the rule activates the same set in the part of consequences. With every copying into the set E, the given triangular number is multiplied with the CF value.

CF (Certainty factor) gives the degree of rule security by which the FAM system automatically multiplies the result of the rules. This CF value is determined by the square of criteria weights. After copying, the sets partly activated by the operator of the algebraic sum are aggregated and added, and finally, the centre of gravity of the aggregated set is formed by defuzzification.

Kosko uses the term "fuzzy associative memory" to describe how a fuzzy system works. The system activates all the rules in parallel and to a degree. Computers use direct memory. Associative memory searches the entire memory. (Kosko, 1992)

The mark-giving method, Jain's method and Yager's method

The formal similarities between Jain's method and the mark-giving method are used for comparing (formerly applied signs are used in comparing).

Steps of Jain's method:

1. One R_i fuzzy set is formed for every a_i alternative in the form:

$$R_i = \sum_{j=1}^m g_j \cdot r_{ij}$$

where g_i is the fuzzy set of weights, r_{ij} is the fuzzy value K_i of criteria in case of a_i alternative (signed operations mean the multiplication and addition of fuzzy sets).

2. A union of multiples of R_i sets is formed:

$$S = \bigcup_{i=1}^n \sup R_i$$

and one 'maximized' M fuzzy set is defined in the set S :

$$\mu_M(r) = [r/r_{\max}]^\beta$$

with the function of belonging, where $r_{\max} = \sup S$ and β is a natural

number (the set M gives the upper limit for the values $\mu_{R_i}^{(r)}$).

3. A fuzzy set R_{i0} is formed from M and R_i sets with the functions belonging to:

$$\mu_{R_{i0}}(r) = \min\{\mu_{R_i}(r), \mu_M(r)\}, (r \in S)$$

4. One Y_i value is assigned to every alternative:

$$y_i = \max \mu_{R_{i0}}(r), (r \in S)$$

Many have criticized Jain's method as it does not give any help in forming the set M (choice β), and Y_i , which is assigned the alternative a_i , represents only one maximum value (the other ones are not taken into consideration in ordering).

Comparing to Jain's method, the steps of this method are the following:

1. Like in Jain's method, one R_i fuzzy set is formed for every a_i alternative in the form:

$$R_i = \sum_{j=1}^m g_j \cdot r_{ij}$$

where the values of the weight g_j can range within the interval (0,1) of real numbers, the values r_{ij} are special, and the fuzzy sets of marks are the same for every criterion (the degree of marks can be different depending on the criteria).

2-3. The method does not limit the values of functions of belonging to the sets R_i , it is not necessary to define M , nor form R_{i0} sets. Instead, the sets R_i are compared in the mutual E set.

4. The value y_i , which joins the alternative a_i , representing the centre of gravity, is formed taking into consideration all the values of criteria. The value y_i , shows the ordinal number of alternatives.

We can conclude that the mark-giving method, compared to Jain's method, represents a different principle of problem solving.

Taking into consideration every value of the "possibility of realization", Yager's method assigns the value Y_i to the alternative a_i (Philips, 1995).

$$y_i = \max \min (\mu_{k_j}(a_i)t_j)$$

It also orders every $K_j (\leq j \leq m)$, as well as alternatives on the basis of the value Y_i .

Yager's method does not always differentiate between alternatives with approximately the same weight, so it assigns the same numerical values to the groups of alternatives (Yager, 2005). With the mark-giving method we notice quite the opposite: it assigns a different numerical value to almost every alternative. According to this, the mark-giving method points more to the difference between alternatives than Yager's method.

Ranking of Tourist Destinations

Consideration of the application of fuzzy logic in solving some problems in tourism is related to the name of Lozada (Lozada et al., 2011). In the work fuzzy logic is used to measure the results achieved in the tourism industry caused by the application of innovation management. Stojanovic in his work (Stojanović, 2011) has tried to find and to define the indicators of tourist destinations, which affect the sustainable development of the same. Comparative indicators presented as fuzzy sets, and the value of output variable, economic effects determined by previously defined fuzzy logic rules.

In his work, Bowman (Bowman, 2011) wants to explore the state of sustainable tourism in developing countries and to present methodological and practical criticisms and improvements. The conclusion underlines that a sustainable tourism program should be designed in the region, largely based on performance, and the concept should be built using the logic stage, taking into account the many attributes of sustainable tourism.

Ranking should serve as an incentive to the further development the competitiveness of the destination, to improve the existing criteria, to discover new criteria, or to contribute to the better fulfilment of the criteria (Crouch & Ritchie, 1999). Cities or tourist places have to have different offers, which require multiple demands and multiple attributes.

The model of the competitiveness of the destinations with four basic components (basic resources and attractiveness, factors and resources for support, destination management and factors contributing to the quality of

the destination) and their weights are equally represented in the model. The weights of the criteria are such as to favor certain components of group 4 and groups 3.

This is proof that the basic resources and attractiveness and COMPETITIVENESS (Group 1) are significant components for the desirability of the destination (, but are not sufficient to reach the leading position in the attractiveness of the tourist destination. Factors contributing to the quality of the destination (group 4) prove to be a very important factor in the overall assessment result and were omitted and neglected in most of the previous studies. A similar conclusion may also be made for the components classified in Group 3 and Group 2.

For ranking, the main cities in Europe are the largest number of overnight stays in 2016. Criteria were selected from a set of many attributes of sustainable urban tourism (Pulido-Fernández et al., 2015).

The main criteria and weights were used for editing, which were chosen based on previous statistical analysis of the opinion of tourists who visited the destinations in the organization of one of the leading travel agencies in Serbia in 2016. Table 1. contains 14 criteria and their weights.

Table 1: *Criteria and their weights*

Criteria	Weights
1. Safety	1.00
2. Climate	0.70
3. Sights	0.50
4. Visual appeal	0.31
5. Special events	0.30
6. Interesting architecture	0.26
7. Kitchen	0.25
8. Nightlife	0.24
9. Interesting festivals	0.21
10. Transportation	0.20
11. Exotic culture	0.16
12. Historical significance	0.15
13. Museums and galleries	0.14
14. Music events	0.10

Table 2: Description of tourist destinations based on the criterion rating in 2016.

Criteria		Tourist destination													
		1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
	1.	1	3	3	3	5	4	5	1	3	5	3	3	5	5
	2.	5	1	1	5	5	5	5	5	1	5	5	5	5	5
	3.	5	5	5	3	5	5	5	3	0	2	5	5	5	5
	4.	3	4	3	2	3	4	4	4	2	3	0	0	0	0
	5.	0	0	0	0	2	2	1	0	4	0	0	0	5	5
	6.	5	5	5	5	5	5	5	5	5	5	5	1	5	5
	7.	0	0	0	0	0	0	0	0	0	1	0	0	0	0
	8.	2	3	4	0	3	4	0	3	5	5	1	0	1	1
	9.	3	2	2	2	1	4	5	1	1	5	4	4	5	3
	10.	3	3	3	3	3	3	3	3	3	3	3	5	3	3
	11.	3	3	3	3	3	3	3	1	3	3	3	5	3	3
	12.	0	1	0	0	0	0	3	0	0	3	0	0	3	3
	13.	3	3	3	3	1	3	3	3	3	3	3	3	3	3
	14.	0	5	5	5	0	0	5	1	1	5	1	0	1	5

To compare editing, the same was done with the Yager's method. The Yager's method, taking into account every value of "possibility of achievement" t_j , alternatives a_i and joins y_i value

$$y_i = \max \min \mu_{k_j}(a_i, t_j)$$

For k_j ($1 \leq j \leq m$), and alternatives based on the y_i value.

Results of ranking are shown in Table 3.

Table 3: Editing results³

Tourist destination	Number of overnight stays in 2016 (in 10 ⁶)*	Marks from 1-5 per night	Yager's metod	Mark giving method
Brisel	7.62	0.635	1.00	2.53
Budapest	7.82	0.652	1.50	2.73
Dublin	9.92	8.27	1.50	2.79
Stocholm	11.85	0.99	3.00	3.49

³ Leading European city tourism destinations in 2016, by number of bednights, (<https://www.statista.com/statistics/314340/leading-european-city-tourism-destinations-by-number-of-bednights/>)

Amsterdam	12.57	1.05	3.45	3.84
Wien	14.38	1.20	3.50	4.18
Pragh	14.75	1.23	3.50	4.42
Istambul	16.02	1.33	1.00	2.31
Madrid	16.51	1.38	1.50	2.54
Barcelona	17.09	1.42	2.50	4.06
Roma	25.38	2.11	3.00	3.68
Berlin	28.69	2.38	3.00	3.68
Paris	36.03	3.00	3.45	4.25
London	56.98	4.75	3.45	4.71

Conclusion

The ratings obtained by the Yager's method correctly determine the significance of the destination. In a few cases, the method associates the same values to different but the following cities: for example, there is no difference between the cities of Rome and Berlin.

The mark giving method assigns a different value to almost every destination, and the ratings are appropriately redesigned. Only Barcelona, Paris and London have a different order in relation to the Yager's method. However, in these cases, the mark giving method is more precise.

Both methods correctly rank the destinations, which proves that tourist destinations can be edited with fuzzy methods. Yager's method does not always make the difference between destinations with approximately equal weight, so the group of cases associates the same numerical values. The mark giving method is quite the opposite: almost every destination joins a different numerical value. The mark giving method more emphasizes the difference between the cases compared to the Yager's method.

The demonstrated fuzzy ordering method, which is based on marking, enables the ordering such alternatives where fuzzy criteria can be described by marks or where the values of criteria can be considered to be marks. The results are similar to the results achieved by other ordering methods.

The mark-giving-method treats criteria as a fuzzy system with the rules of aggregation. It can be easy programmed by fuzzy logic software. The

method is, in some points, similar to Jain's method of alternative ordering, but an ordering on the basis of weights, to assigned alternatives is a different principle in relation to Yager's method.

References

1. Bowman, K. S. (2011). Sustainable Tourism Certification and State Capacity: Keep it Local, Simple, and Fuzzy, *International Journal of Culture, Tourism and Hospitality Research*, Vol. 5, No. 3, 269 - 281.
2. Ćirić, Z., Stojić, D., Sedlak, O. (2015). Multicriteria HR Allocation Based on Hesitant Fuzzy Sets and Possibilistic Programming, *Acta Polytechnica Hungarica*, Óbuda University, Hungarian Academy of Engineering and IEEE Hungary Section, Vol. 12, No. 3, 185 - 197.
- 3 Crouch, G.I., Ritchie, J.R.B. (1999) Tourism, Competitiveness, and Social Prosperity, *Journal of Business Research*, Vol. 44, 137 – 152.
4. Dubois, D. H. Prade, H. (1980). *Fuzzy Sets and Systems: Theory and Applications*, Academic Press, New York, 1980.
- 5 Jain, R. (1997). A Procedure for Multiple-aspect Decision Making Using Fuzzy Sets. *International Journal of System Science*, Vol. 8, No. 1, 1 - 7.
6. Kosko, B. (1992). *Neural Networks and Fuzzy Systems*, Englewood Cliffs: Prentice – Hall, New Jersey, 1992.
7. Koyuncu, M., Yazici, K. (2005). A fuzzy knowledge-based system for intelligent retrieval. *IEEE Transactions on Fuzzy Systems*, Vol. 13, No. 3, 317 - 330.
8. Lozada, D., Castillo, J. M., Salguero, A., Araque, F., Delgado, C., Noda, M. (2011). Fuzzy Logic for the Performance Assessment of the Innovation Management in Tourism, Chapter, *Computer Aided Systems Theory – EUROCAST 2011*, Vol. 6927 of the series Lecture Notes in Computer Science, 64 - 71.
9. Maier, R. (2008). *Knowledge Management Systems, information and Communication Technologies for Knowledge Management*. Springer-Verlag, Berlin, 2008.

10. Philips, L. (1995). Just Decision Using Multiple Criteria or: Who Gets the Porsche?, An Application of Ronald R. Yager's Fuzzy-Logic Method, *5th International Conference on AI and Law, Maryland ACM*, 1995.
11. Pulido-Fernández, J, Andrades-Caldito, L, Sánchez-Rivero, M (2015). Is Sustainable Tourism an Obstacle to the Economic Performance of the Tourism Industry? Evidence From an International Empirical Study, *Journal Of Sustainable Tourism*, Vol. 23, No. 1, 47 - 64.
12. Sedlak, O., Čileg, M., Kiš, T. (2013). Decision Support System with Mark-Giving Method, *ICORES 2013 - Proceedings of the 2nd International Conference on Operations Research and Enterprise Systems*, Barcelona, 352 - 358.
- 13 Sedlak, O., Ćirić, Z., Ćirić, I. (2013). Strategic Management Under the Conditions of Uncertainty and Indefiniteness. *Strategic Management*, Vol. 1, No. 1, 62 - 68.
14. Sedlak, O., Kocic Vugdelija, V., Kudumovic, M., Besic, C., Đorđević, D. (2010). Management of family farms – Implementation of Fuzzy method in short-term planning, *TTEM - Technics Technologies Education Management Journal*, ISSN 1840-1503, Vol. 5, No. 3, 710 - 719.
15. Stojanović, N. (2011). Mathematical Modelling with Fuzzy Sets of Sustainable Tourism Development. *Interdisciplinary Description of Complex Systems*, Vol. 9, No. 2, 134 - 160.
16. Tovmasyan, G (2016). Tourism Development Trends in the World. *European Journal Of Economic Studies*, Vol.17, No. 3, 429 - 434.
17. Yager, R. R. (2005). Fuzzy Decision Making Including Unequal Objectives, *Fuzzy Sets and Systems* 1, 87 - 95.
18. <https://www.statista.com/statistics/314340/leading-european-city-tourism-destinations-by-number-of-bednights/>

PROSPECTS OF MEDICAL TOURISM DEVELOPMENT IN SERBIA

Tijana Ljubisavljević¹; Sandra Živanović²;

Abstract

Combination of medicine and tourism is a relatively new type of tourism that significantly contributes to economic development of certain countries. It represents a type of health tourism that is focused on providing medical assistance including surgeries, organ transplantation, aesthetic plastic surgery, complex dental surgeries and similar medical interventions. Over the last few years, medical tourism is undergoing a global expansion. Number of medical tourists is on the annual rise around the world and such trends are emerging in our country as well. However, despite great potential that Serbia has for medical tourism development, this type of tourism is still stagnating. Namely, potential users have rather limited information on what Serbia has to offer in terms of medical tourism. The objective of this paper is to point out possibilities of developing such type of tourism, due to Serbia's potential in terms of medical and tourism services.

Key Words: *medical tourism, health tourism, tourism development*

JEL classification: *L83*

Introduction

Medical tourism has been present for centuries, through the concept of travel for specific medical procedures and its popularity is steadily growing enormously from year to year. The development of medical tourism dates back to the town of Epidaurus, where a sanctuary dedicated to the god of medicine, Asclepius, was founded. This is the first recorded

¹ Tijana Ljubisavljević, Phd student, Faculty of Hotel Management and Tourism in Vrnjačka Banja, Vojvodanska bb, 36210 Vrnjačka Banja, Tel: +381 63 101 75 24, t.ljubisavljevic@gmail.com

² Sandra Živanović, Associate Professor, Faculty of Hotel Management and Tourism in Vrnjačka Banja, Vojvodanska bb, 36210 Vrnjačka Banja, Tel: +381 36 515 00 25, zivanovicsandra@hotmail.com

destination for medical tourism. Medical tourism evolved in other civilizations as well: Egypt, Asia, the Latin peoples, and so on. In defining the concept of tourism, there is still no universal, single definition, because it changes and adjusts to the development of tourism. Some countries are touristic countries from which the patients depart looking for destinations and hospitals where they will be treated, while other countries are receptive countries for patients who come for treatment.

In the first part of this paper, similarities and differences between health tourism and medical tourism will be described. The second part of the paper explains medical travel, with the focus on planning and organization of medical travel, as well as the risks that these travels include. We will also deal with medical tourism offer and users of medical services. In the end, in the last chapter the benefits and disadvantages of medical tourism in Serbia will be described in detail, as well as the top ten medical tourism destinations around the world.

Similarities and differences between health and medical tourism

Medical tourism is defined by the Medical Tourism Association (2019) and it means traveling to another country for comprehensive medical treatment, dental or surgical procedures, because this destination allows better access to care, providing higher quality health services or offering the same treatment at a significantly more accessible price.

Given that, according to the World Health Organization (2006), "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" (p. 1), we agree with Alfier (1997) that health care is one of the oldest, durable and strongest motives of tourist movement.

Medical tourism is a segment of globalization and represents a way of changing the health care system to make it more accessible to users. Medical tourism takes at least two kinds or forms (Živanović, 2015):

1. The free circulation of patients and
2. State medical tourism.

When it comes to the free circulation of patients, service users are those who take a personal initiative, at the recommendation of a doctor, to go to spa centers that are specialized in diseases that patients suffer from.

State medical tourism involves the active participation of the state in choosing the country, institutions, physicians and all other details related to the treatment and traveling of patients. These are institutions in foreign countries with which there is a contract of cooperation for this kind of medical intervention.

The difference between these two forms of medical tourism is in the funding of treatment. In the first form of medical tourism, medical expenses are borne by the client, who plans the travel himself. State medical tourism is related to the financing of patients who are liable to pay contributions to state or private institutions, but these institutions bear the costs of their treatment. In this form of tourism, patients usually do not choose the hospital or doctors and do not participate in the planning of their travel (Alfier, 1997).

According to Alfier (1997) health is in fact one of the oldest, strongest and most durable motives of tourist development, and tourism in all its forms more or less always has health function.

Medical tourism is a relatively new form of tourism that develops from a compound of modern medicine and tourism. In fact, it is a journey whose main goal is associated with the provision of different, usually more serious medical care, such as surgery, organ transplants, plastic surgery, complicated dental interventions, etc. Medical tourism most often means traveling across national borders, where medical services are the only or primary motivation for travel (Connell, 2006).

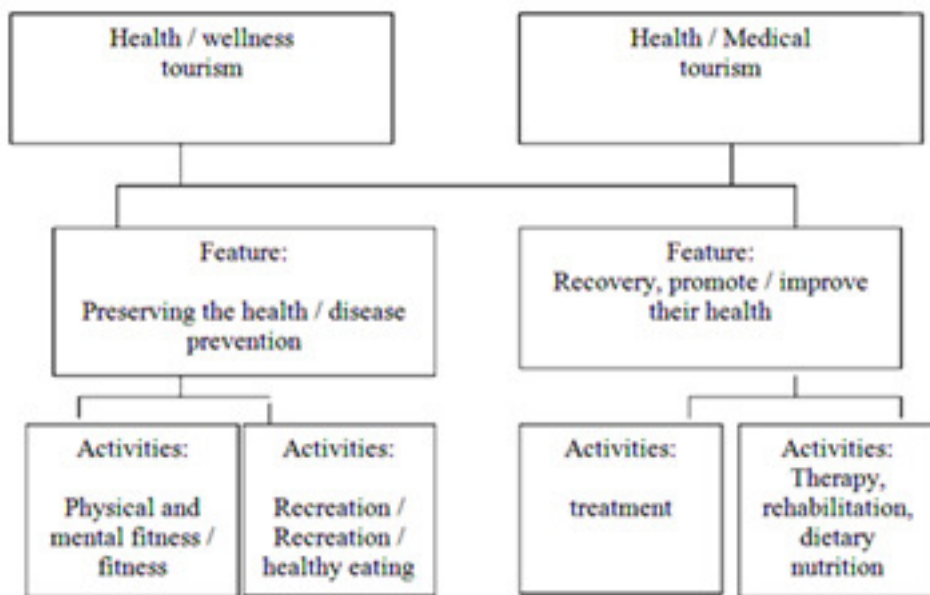
It is necessary to integrate medical services programs with tourist stay, either as a psychological need or possibility of determination in motion. In this way tourism is linked with medicine. When organizing medical trips, local tourism organization should also be engaged (Marković et al., 2011).

Medical tourism should be regarded as a separate market niche of health tourism which includes specific medical intervention. As we already mentioned, it is a traveling across national borders, often long distances, whose aims are connected with the provision of a variety of medical, dental and surgical services to patients who want to be provided with long-term good health (Connell, 2006; Carrera & Bridges 2006).

Today, modern medical tourism in general can be defined as a form of tourism which is undertaken with the aim of promoting, stabilizing and restoring physical and mental well-being with the help of natural healing factors, sports and recreational and wellness facilities, as well as medical services, at locations where people do not have permanent residence.

Medical tourism is traveling for treatment of certain diseases or for operation under medical supervision in hospitals or medical centers. So, what distinguish medical tourism from other types of health tourism are surgical interventions on the body of visitors who are already suffering from a disease, and other therapeutic treatments of patients. Therefore, it can be concluded that the medical tourism is actually kind of health tourism (Milićević, 2015).

Figure 1: *Diversity motives and activities in the health / wellness tourism and health / medical tourism*



Source: Jovanović, V. (2013). *Tematski turizam [Thematic tourism]*, Beograd, Univerzitet Singidunum.

Health and medical tourism is often used in the same sense, but the difference between these two terms is that medical tourism mainly consists of two strict meaning of the terms surgery and therapy, and health tourism includes wider form of health care providers, in both the treatment and in the prevention. Services of medical tourism take place

under a strict supervision of medical staff (Connell, 2006). The modern concept of medical tourism goes beyond the classic concept of health tourism, spas and SPA centers, whose roots go far back into the past. Medical tourism includes a wide range of sophisticated and high-quality medical services.

In order to summarize the above mentioned, it can be said that when it comes to health (or wellness) tourism, people do not have to be sick to be in favor of such a journey, but they can go for precautionary reasons. On the other hand, when it comes to medical tourism, incentives for travel are related solely to undertaking some surgical intervention, treatment or other form of medical services.

Medical travel – planning, organization and risks

If a patient goes abroad for treatment, care or surgery, and the travel is not properly organized, traveling can be very distressing and unpleasant experience for him. The patient can be introduced to the specific medical facilities and services abroad through provider for health tourism and medical tourism. Therefore, as already mentioned, a very important role is played in this case by providers of medical tourism (Milićević, 2015).

A person who is seeking medical care abroad, contacts the provider of medical tourism, after which the service asks the patient for medical reports, the opinion of the local doctor, diagnosis, and other. Certified physicians or consultants advise the patient on medical treatment, they discuss the framework expenditure, optionally hospitals, travel destinations, duration of stay and the like. If it is necessary, patient signs the agreement and approval of commitments, giving the patient the recommendations and guidance about acquiring visas. The patient travels to the destination country, where he is entrusted to the person it is awarded to the person who takes care of patient. After the end of treatment, the patient can remain in a tourist destination in the recovery or rehabilitation or return home.

There are numerous risks and dangers threatening medical tourists when traveling to a particular country. For people whose health is already compromised by the underlying disease, undeveloped natural immunity and exposure to various infections and diseases that threaten, it can be very dangerous and fatal. The risk of diseases transmitted by mosquitoes (malaria), various types of viruses (Ebola, influenza, bird flu, swine flu),

tuberculosis and HIV should be noted. Doctors in the tourist countries often overlook or do not establish the exact time and the correct diagnosis when the disease appears after the journey, because the exotic diseases are considered rare in their regions and not taken as a potential threat. Therefore, vaccination is obligatory before traveling to endemic areas. About this vaccination tourists should be informed in the Embassy when applying for visa or through their medical service provider.

Unwanted events occur mainly during the healing process, but can happen at all other levels of health care and protection.

The Canadian Patient Safety Dictionary (2003) defines patient safety as "the reduction and mitigation of unsafe acts within the healthcare system, as well as through the use of best practices shown to lead to optimal patient outcomes" (p. 12).

Medical tourism offer and the users of medical services

The first decade of the twenty-first century records the rapid growth of medical tourism and the so-called Medical travel, a global health care becomes the primary practice of many travel agencies.

Health institutions offer numerous specialized services: surgical procedures, cosmetic (aesthetic) surgery, dental surgery, etc. Also, after the intervention or treatment, for the purpose of recovery, the patients are offered spa treatments, such as massage, diet, Kneipp therapy, aromatherapy and the like. There are also tourist attractions, such as local events, pleasant climate, local cuisine, recreation, local culture, etc. which shorten recovery time to patients (Jovanović, 2013).

This type of tourism requires the involvement of highly qualified medical staff, or special medical infrastructure and human resources and generally this is a very expensive real estate, technical devices, equipment, personnel. For these reasons it is understandable that the services of medical tourism are very expensive (Cetinski & Weber, 1996).

In order to notice what distinguishes and differentiates the market in medical tourism from other markets in tourism, it is necessary to point out the specifics of the participants in this market.

The main factors that make the tourist offer, including the offer in health tourism, are (Milojković, 2013):

1. attractive:
 - a) natural (thermo-mineral springs, air, flora and fauna)
 - b) social (culture-historical monuments, events)
2. communication:
transport infrastructure and the transport means to the destination as the path to the place of medical tourism
3. receptive:
objects of accommodation and food, entertainment and recreation, shops, various services, utilities and dr.

Users of services of medical tourism are patients with serious health problems, who require the services of specialized medical facilities and trained medical personnel. These patients often have to stay for some time in the medical centers for rehabilitation (Milićević, 2015). It should be noted that medical tourists are not only patients but also healthy people, this type of tourism is used for less serious medical treatments.

The constituent elements of tourism demand, including demand in medical tourism are (Freyer, 1988):

1. the need
2. free time,
3. financial resources.

Medical tourism offers a chance for the global medical tourists to get the best quality of medical services at significantly lower cost than in their own country. Many people provide the wrong name or the wrong meaning of the medical tourism. The holiday is not the primary reason for medical travel or medical tourism while recovering from intervention, they also have the opportunity to get to know the attractions of the place where they are staying (Healthbase, 2019). Key medical factors that affect people's travel are reputation and skills of doctors, the results of medical treatment, prices of treatment, insurance and warranty, the recovery and tracking services and knowledge of foreign languages.

Services of medical tourism

Services that medical tourists commonly seek, are specialized services in the following fields of medicine (Živanović, 2015):

- the plastic, or the aesthetic or cosmetic surgery;

- dentistry (general, prosthetics, cosmetics);
- cardiovascular surgery (angioplasty, by-pass surgery coronary arteries, transplantation);
- orthopedics (endoprosthesis implant in hip and knee);
- the sports medicine;
- the medical oncology;
- gynecology and reproductive health;
- the laparoscopic surgery;
- genetics (rare genetic disease);
- psychiatry;
- animal (different treatments);
- health monitoring or other medical opinion is often sought.

Often, medical tourists go to hips and knee surgery after the diagnosis of osteoarthritis by biomarkers in their country (Živanović et al., 2012).

Medical services that pay most attention to providers of medical tourism, among others, include the price of service and payment method, non-medical risks, hotels and accommodation outside of health facilities, issues of language, availability of modern medical techniques (availability of new surgical techniques, new technology, modern approaches to treatment, advanced materials...), travel related health issues such as vaccination against malaria, ethical issues, medical - legal questions.

Advantages and disadvantages of medical tourism in Serbia

Medical tourism has been experiencing a great expansion in the world in recent decades, and this trend of its development, although with great delay, is starting in our country. Namely, Serbia is slowly becoming one of the centers of this phenomenon. When it comes to our country, we should first point out that Serbia has great potential for the development of medical tourism. First of all, it has very competent, capable and quality medical staff. Moreover, our country is rich in natural resources and beautiful landscapes that are a real treasure worth a visit and stay. It is known that Serbia abounds in natural spas and health resorts which offer potential opportunities for the development of health facilities. Although there are already featured resorts like Mercur in Vrnjačka Banja, then Atomic Spa, Sokobanja, Niška and many other spas, regarding the development of this very lucrative industry in our country, which is unfortunately missing a lot.

It may be noted that every year, an increasing number of foreigners coming to Belgrade and other Serbian cities, travel also for medical services. Foreign medical tourists in our country can afford medical services at a much lower price than in the country from which they come. In addition, what is particularly important is that here they can get medical services from experts and with excellent materials, which can be harder to afford abroad (Zorić, 2011).

Serbia is at the very beginning of the path of development of medical tourism, but Serbia has a large number of quality doctors and health workers at a very high and professional level and is keeping up with the standards of developed countries. Our doctors are highly educated and professional, and many of them are further educated and trained abroad. In addition, there are hospitals that can come out to meet and respond to the requirements of each patient. Given medical documentation is extensive, detailed, and above all comply with the medical-legal aspects. Also, patient safety is paramount. In Serbia medical tourists are mainly from England, America, Italy and Switzerland, but it should be noted that the services of our doctors are still used by citizens of the former Yugoslav republics. Most wanted services are of local dentists, ophthalmologists, plastic surgeons, orthopedic surgeons, as well as of physiologists and cardiologists. Americans are coming due to significantly cheaper cardiac interventions, as well as the installation of the hip or knee. Foreigners are interested in heart surgery, performed at our clinics, and therefore often choose to perform some of the interventions in recognized centers such as the Institute for Cardiovascular Diseases "Dedinje" (Institute for Cardiovascular Diseases "Dedinje", 2019). There is also interest in rehabilitation in spas. But now this type of tourism is stagnating, although in recent years a lot has been done in order to modernize spas.

What makes our country stand out when it comes to this branch of tourism is gender change, which is very popular in the world, and dental tourism. In recent years, Serbia has become a hit destination for potential tourists from around the world who want to change gender.

Recently, a large number of foreigners have changed gender in Serbia. Therefore, medical tourists come from all over the world to be subjected to this intervention, in particular, there is an increase of patients from America, who opt for surgeons in Serbia not only because these

operations are here at least five times cheaper than in America, but because our genital surgery has great reputation in the world.

Law on Health Insurance (Official Gazette of the Republic of Serbia, No. 107/2005, 109/2005, 57/2011, 110/2012 - decision CRS, 119/2012, 99/2014, 123/2014, 126/2014 - decision CRS, 106/2015 and 10/2016 – other law) providing that gender can be changed for medical reasons at the expense of security, our country has moved closer to standard patient rights that no majority of wealthy European countries have.

Here, the lowest limit for the gender change is the 18 years, but countries such as Spain, Australia, the Netherlands and Germany, have authorized this intervention also for minors. The prices of these services in our country are the following: gender change from female to male 202,304.47 dinars, and the intervention of sex reassignment from male to female 205.469,47 dinars with 65% of the costs borne by the National Health Insurance Fund, while 35% is borne by the insured person. Sex-change surgery are performed in the Clinical Center of Serbia (Psychiatry, endocrinology and surgery), Clinical Hospital Center Dr Dragisa Mišović (psychiatry), Clinical Hospital Center Zvezdara (surgery), University Children's Clinic (surgery), Gynecological obstetric clinic Narodni Front (surgery) (National Health Insurance Fund, 2019a).

Serbia is a very attractive destination for dental tourism and has been recognized as a desirable destination for professional and specialized dental treatments. The reason for launching the project of dental tourism in Serbia is the fact that the price of dental services in Serbia, together with the return ticket from European cities and even from America and Canada is lower than the price of dental services in Western Europe and America, and the quality of services is at a high level. Serbia's major competitors in the field of dental tourism, as well as some of the most well-known destinations for medical tourism, are Poland, Spain, Turkey, Bulgaria, Hungary, as well as large destinations of medical tourism such as India and Thailand (Kamath et al., 2015).

Another branch of medical tourism in Serbia is also aesthetic surgery. Some of the aesthetic interventions offered in Serbia include breast augmentation, nasal surgery, face lifting, stomach lifting, hair transplants, and correction of lids (Aesthetic medical group Transforma, 2019). The Ministry of Health of the Republic of Serbia conducted an analysis in 2017, formed a working group composed of representatives of the

profession and decided to launch the Project of development and promotion of health tourism in Serbia, but initially dental and plastic, aesthetic and reconstructive surgery services will be promoted (Ministry of Health of the Republic of Serbia, 2017). In 2016, the Government of the Republic of Serbia adopted the Tourism Development Strategy for the period from 2016 to 2025, which aims to systematically approach tourism, and recognized that tourism needs to take a significant place in economic policy (Official Gazette of the Republic of Serbia, No. 98/2016). All this indicates that the Government of the Republic of Serbia undertakes measures to improve the business environment for the development of medical tourism in Serbia (Ljubisavljević & Radosavljević, 2018).

However, on the other hand, although there is an interest in medical services in our country, medical tourism in Serbia is not sufficiently developed. There are many reasons that prevent our country from developing.

In Serbia, a growing number of people concerned about their health choose treatment abroad, in order to find the best methods of treatment. A large number of patients choose Turkey, Germany, the Czech Republic, but also other countries such as: Austria, Belgium, Bosnia, Bulgaria, Great Britain, Italy, Luxembourg, Macedonia, Hungary, Poland, Romania, Slovenia, Slovakia, the Netherlands, Croatia, Montenegro, Denmark, Norway, France, Sweden and Switzerland (National Health Insurance Fund, 2019b).

The thing that our country cannot boast about, when it comes to medical tourism, are specialized agencies for organization of medical travel. In our country, there aren't many travel agencies that deal with the recruitment of medical tourists, in other words patients from abroad who are to be treated in our country. For now, in our country, mostly freelance agents work. The fact is that foreigners still come, but by themselves. The problem is not in doctors or hospitals in Serbia. As mentioned before, our experts are more than competent to perform all medical interventions for which there is currently a demand in the world, whether it comes to plastic surgery, dentistry, ophthalmology. There is a cluster of medical tourism, which appears as an intermediary between international partners interested in Serbia that bring tourists and the local institutions that are open to receive them. However, this in turn means that patients in our country come solely at their own initiative.

The promotion of medical tourism in Serbia is not at an enviable level, with some companies being there, such as MedicBooker - team of experts in fields of tourism, medicine, IT and Economics, who can organize healthcare journey as easy as possible (Medicbooker, 2019), WhatClinicSerbia.com - the unique medicine tourism company in Serbia, which select the best dental clinics and hospitals for plastic surgery in Serbia in order to provide the excellent medical treatment at the lowest price in Europe. They can connect patients with the best dentists and plastic surgeons in Serbia (WhatClinicSerbia.com, 2019) and Cluster of medical and health tourism in Serbia – "brings together leading private and government organizations in the medical, tourist, business and scientific sectors, with the aim of creating a recognizable and competitive health-tourism products in spas in Serbia, which monitors global trends, while respecting the traditions and use professional medical personnel, natural factors and specific destinations" (Klaster medicinskog i zdravstvenog turizma, 2019), which are promoting medical tourism in Serbia. However, it is inevitable that there should be more organizations and agencies that will be responsible for providing medical-tourism offer in the international tourism market.

The top ten medical tourism destinations around the world

The cause of the rapid growth of medical tourism in recent years, among other things, is the price of medical services compared to emissive and receptive country. For some users, services in medical tourism implying adequate medical care are the only option that patients can receive abroad at an affordable price.

Increase in the importance and demand for services of medical tourism is caused by rapid development of means of transport and favorable transportation routes, globalization, Internet usage, as well as increased costs of health services in many countries. Significant differences in the cost of medical services are the most common reason for taking medical travel and using the services of medical tourism in another country (Krajnović et al., 2013).

The top ten medical tourism destinations around the world are (Stephano, 2019): India, Brazil, Malaysia, Thailand, Turkey, Mexico, Costa Rica, Taiwan, South Korea and Singapore.

India is one of the most visited countries for health care, especially for health care services with cutting-edge technology. Medical travel, in this country, brings a mix of pleasure, luxury, and quality healthcare for medical travelers. There is close to zero waiting time, as scheduling surgery or intervention is done quickly once the diagnosis is confirmed.

Brazil boasts of having world-renowned surgeons. Also, it offers high quality cosmetic and plastic surgical services, cutting-edge medical technology, medical advances, and innovation.

In 2015 and 2016, Malaysia ranked among the best providers of healthcare in all of South-East Asia. There are, for example, indoor pools for hydrotherapy. They care about medical tourists to ensure their comfort from the very minute they arrive in Malaysia.

Thailand is well known for advanced dental work as well as cosmetic and dermatological procedures.

Medical tourism in Turkey is specialized in the areas of transplant surgery, radiation therapy for cancer, orthopedic surgery, neurosurgery, and genomic medicine.

Mexico is well known for its rich culture, but also for advanced care in dentistry and cosmetic surgery.

Costa Rica is fast rising as a leader in the medical tourism market, especially for eye surgery, cancer therapy, and bariatric surgery.

Taiwan has advances in the treatment of cardiac diseases and orthopedic conditions in the country. Also, the first ever pediatric liver transplant in Asia was performed by Taiwan's surgeons.

South Korea has one of the most advanced healthcare services with cutting-edge technology from well-trained staff. There is a hospital provides exquisite accommodation with spacious rooms, a personal computer, and two beds in case a travel companion comes along with the patient.

Singapore is one of the most developed countries in the world and ranked at the top of countries with the most efficient healthcare systems in 2014, above 50 other countries.

Patients can generally save in healthcare cost traveling to listed countries compared to the cost of similar services in the United States (Patients Beyond Borders, 2019):

- Brazil: 20-30%
- Costa Rica: 45-65%
- India: 65-90%
- Malaysia: 65-80%
- Mexico: 40-65%
- Singapore: 25-40%
- South Korea: 30-45%
- Taiwan: 40-55%
- Thailand: 50-75%
- Turkey: 50-65%.

Medical tourism market becomes more competitive and countries need to invest more in it, these countries are likely to remain at the top while more countries spring up in the race to being key players in the industry of medical travel (Stephano, 2019).

Conclusion

Medical tourism is a phenomenon that combines tourism and medical services. This is a global trend that can be said to exceed the limits of medicine, economics and tourism professionals. As can be seen from this study, the word is very broad, but also a very sensitive area, because it is a human health and human life as the most significant human values.

We can say though is proven that the medical tourism dates back to the earliest periods of human society, this is a new, modern branch of tourism that is still gaining momentum and will be more developed in many countries of the world in the coming years. When it comes to our country, medical tourism is recognized as a new trend and phenomenon that provides an opportunity to engage in major cash inflows. This branch of tourism in Serbia would bring significant revenues and reduce poverty. If vocational and educational staff and the authorities pay more attention to medical tourism, it is possible that our country can be found on the map of world famous and sought-after destination for medical tourism. Serbian medical tourism can be used as a powerful driver of economic development and medicine and thus improve the economic standard of

living. We hope that in the upcoming period, our country, competent authorities and relevant authorities will recognize this opportunity.

References

1. Aesthetic medical group Transforma, *Cosmetic surgery*, <http://www.transforma.rs/estetska-hirurgija>, (08 February 2019).
2. Alfier, D. (1997). *Uloga turizma u resocijalizaciji i desocijalizaciji suvremenog čovjeka [The role of tourism in the re-socialization and desocialization of modern man]*, Turizam – izbor radova. Zagreb: Institut za turizam, 18-210.
3. Carrera, M. P., Bridges, F. P. J. (2006), Globalization and Healthcare: Understanding Health and Medical Tourism. *Expert Review of Pharmacoeconomics & Outcomes Research*, Vol. 6 No. 4, 447-454.
4. Cetinski, V., Weber, S. (1996). Marketing zemalja S.E.I. – mogućnost suradnje na području zdravstvenog turizma [Marketing countries of S.E.I. - possibility of cooperation in the field of health tourism]. *Tourism and hospitality management*, Vol. 2 No. 2, 241-252.
5. Cluster of medical and health tourism, *About us*, <http://www.medicinskiturizam.rs/>, (5 February 2019).
6. Connell, J. (2006). Medical Tourism. The newest of niches. *Journal of Tourism Recreation Research*, Vol. 31 No. 1, 99-102.
7. Freyer, W. (1988). *Tourismus*, Oldenbourg Verlag, Munchen.
8. Healthbase, *Medical Tourism*, <https://www.healthbase.com/hb/pages/medical-tourism.jsp>, (14 February 2019).
9. Institute for Cardiovascular Diseases "Dedinje", *Misija i vizija [Mission and vision]*, <http://www.ikvbd.com/o-nama/misija-i-vizija/>, (24 February 2019).
10. Jovanović, V. (2013). *Tematski turizam [Thematic tourism]*, Beograd, Univerzitet Singidunum.

11. Kamath, K., Hugar, S., Kumar, V., Gokhale, N., Uppin, C., Hugar, S. S. (2015). The business and pleasure of teeth: Dental tourism. *International Journal of Contemporary Dental and Medical Reviews*, Vol. 2015 No. 4, 1-4.
12. Krajnović, A., Babić, R., Bosna, J., (2013). Medicinski turizam – neki marketinški i etički aspekti, Istraživački rad [Medical tourism - some marketing and ethical aspects, Research work], *Oeconomica Jadertina*, Vol. 3 No. 1, p. 16-30.
13. Ljubisavljević, T., Radosavljević, Z. (2018). Transformation of ownership of spa resorts in the Republic of Serbia (the model of privatization of "Gornja Trepča" Ltd., Gornja Trepča). *Hotel and Tourism Management*, 2018, Vol. 6 No. 2, 47-59.
14. Marković, S. Lj., Ostojić, M., Popović, I. V. (2011). Zdravstveni turizam u funkciji poboljšanja kvaliteta života [Health tourism in the function of improving the quality of life], *38th National Conference on Quality, 6th National Conference on Quality of Life*, B – 19-24.
15. Medical Tourism Association, *Medical Tourism FAQ's*, <https://www.medicaltourismassociation.com/en/medical-tourism-faq-s.html/>, (16 February 2019).
16. Medicbooker, *About us*: <https://medicbooker.com/language/en/>, (5 February 2019).
17. Milićević S. (2015). *Od tradicionalnih banjskih lečilišta do destinacija zdravstvenog turizma* [From traditional spa health resorts to destinations of health tourism], Kragujevac: Univerzitet u Kragujevcu, Fakultet za hotelijerstvo i turizam u Vrnjačkoj Banji.
18. Milojković, M. (2013). *Razvoj zdravstvenog i wellness turizma u banjama Srbije (Master rad)* [Development of health and wellness tourism in spas of Serbia (Master work)]. Prirodno-matematički fakultet, Departman za geografiju, Univerzitet u Nišu, https://www.pmf.ni.ac.rs/download/master/master_radovi_geografija/geografija_master_radovi/2013/2013-09-27-mm.pdf, (20 February 2019).
19. Ministry of Health of the Republic of Serbia. (2017). *Projekat razvoja i promocije zdravstvenog turizma u Srbiji od značaja za privredu i*

građane [*The project of development and promotion of health tourism in Serbia of importance for the economy and citizens*]. <http://arhiva.zdravlje.gov.rs/showelement.php?id=12865>, (25 February 2019).

20. National Health Insurance Fund (a), *Gender change for medical reasons*, <https://www.rfzo.rs/download/brosure/Brosura-promena%20pola.pdf>, (10 February 2019).

21. National Health Insurance Fund (b), *International agreements*, <https://www.rfzo.rs/index.php/osiguranalica/zz-u-ino/ino-ugovori>, (10 February 2019).

22. Patients Beyond Borders, *Medical Tourism Statistics & Facts*, <https://patientsbeyondborders.com/medical-tourism-statistics-facts>, (20 February 2019).

23. Stephano, R., *Top 10 Medical Tourism Destinations in the World*, <https://www.medicaltourismmag.com/top-10-medical-tourismdestinations-world/>, (26 February 2019).

24. Strategija razvoja turizma Republike Srbije za period 2016 – 2025. ("Službeni glasnik Republike Srbije" br. 98/2016) [Tourism development Strategy of the Republic of Serbia 2016 - 2025. ("Official Gazette of the Republic of Serbia", No. 98/2016)]. <http://mtt.gov.rs/download/3/strategija.pdf>, (25 February 2019).

25. *The Canadian Patient Safety Dictionary*, http://www.royalcollege.ca/portal/pls/portal/PWEB_PORTAL.wwpob_page.show?_docname=535549.PDF, (18 February 2019).

26. WhatClinicSerbia.com, <https://whatclinicserbia.com/sr/details/>, (5 February 2019).

27. World Health Organization, *Constitution of The World Health Organization*, (2006), https://www.who.int/governance/eb/who_constitution_en.pdf, (16 February 2019).

28. *Zakon o zdravstvenom osiguranju* ("Službeni glasnik Republike Srbije", br. 107/2005, 109/2005 - ispr., 57/2011, 110/2012 - odluka US, 119/2012, 99/2014, 123/2014, 126/2014 - odluka US, 106/2015 i 10/2016

- *dr. zakon*) [*Law on Health Insurance ("Official Gazette of the Republic of Serbia", No. 107/2005, 109/2005, 57/2011, 110/2012 - decision CRS, 119/2012, 99/2014, 123/2014, 126/2014 - decision CRS, 106/2015 and 10/2016 – other law*)]. https://www.paragraf.rs/propisi/zakon_o_zdravstvenom_osiguranju.html, (2 February 2019).

29. Zorić, O., *Srbija popularna medicinsko – turistička destinacija* [*Serbia is a popular medical and tourist destination*], http://www.slobodnaevropa.org/a/srbija_popularna_medicinskoturisticka_destinacija/24410264.html, (13 February 2019).

30. Živanović, S. (2015). *Osnovni oblici i trendovi zdravstvenog turizma* [*Basic forms and trends of health tourism*], Faculty of Hotel Management and Tourism, Vrnjačka Banja.

31. Živanović, S., Petrović Rackov, Lj., & Mijušković, Z. (2012). Biomarkers and Ultrasound in the Knee Osteoarthritis Diagnosis, In Bruce M. Rothschild (Ed.), *Principles of Osteoarthritis - Its Definition, Character, Derivation and Modality-Related Recognition*, InTech Open Science/Open Minds.

SCHUMANN RESONANCE: NEW ASPECTS FOR TOURISM DEVELOPMENT

Biljana Petrevska¹; Risto Popovski²;

Abstract

The Schumann resonance is a global level important discovery that Earth produces natural electromagnetic waves in the extremely low frequency of 7.83[Hz]. It spreads a signal that positively or negatively affects all living beings, including humans in their natural environment. The research discusses some impacts that this resonance may have over tourists and visitors that visit or prospectively intend to visit different tourist destinations in Macedonia. Moreover, the paper puts a focus on some locations with tourism motives (like churches, monasteries, spas, mines, geo-tourist locations, etc.) that already have tourist activity, or those with potential to have one. From a scientific point of view, the paper offers the possibility to perceive some effects of the Schumann resonance on tourists and visitors from different approaches: psychological, neurological, physiological, etc. From a practical point of view, the findings may assist in identifying new strategic dimensions for promoting new aspects of tourist product in Macedonia.

Key Words: *natural frequency, tourism, positive effects*

JEL classification: *L83, I12*

Introduction

Being influenced by a large number of social, economic, political and environmental factors, tourism occurs to have an extremely diversified character. Particular attention is paid to tourist perception since it enables tourism policy-makers to create new insights and tailor new strategic approaches that may increase the number of visits and nights spent in a

¹ Biljana Petrevska, Ph.D., Associate Professor, Faculty of Tourism and Business Logistics, Goce Delcev University - Štip, Macedonia, Campus IV, 2000 Štip, biljana.petrevska@ugd.edu.mk

² Risto Popovski, PhD, Associate Professor, Faculty of Natural Sciences, Goce Delcev University - Štip, Macedonia, Campus II, 2000 Štip, risto.popovski@ugd.edu.mk

destination. When creating an image and perception while experiencing tourism services, tourists and visitors are drawn by various individual motives depending on their preferences. Yet, one may argue that the health issue seems to be of great importance to everyone, regardless of the individuality in specific needs when addressing tourism and leisure services. Hence, spa and wellness tourism emerged among top aspects for tourism development, urging the need to explore developing new aspects of added-value tourism products. Some potential is found in the possibility to create a state of synchronization between positive emotions, cardiovascular, respiratory, immune and nervous systems, which are influenced by the Schumann resonance (SR) (Schumann, 1952).

Namely, according to Schumann's research, the Earth produces natural electromagnetic waves at an extremely low-frequency level of 7.83[Hz], which spread a signal that affects everyone and everything on Earth in the natural environment. Such wave distribution of information is a global level important discovery, always pointing to new aspects of positive or negative influence on all living beings.

Though Schumann resonance literature is continuously growing, the issue of how it affects tourists and visitors that visit tourism recreational areas is barely discussed. This paper attempts to fill this gap by demonstrating the manner in which some tourist and recreational areas have the potential to reflect the therapeutic benefit of the Earth's magnetic field on tourists. Besides assessing the possibilities of the positive effects on visitors, the research emphasizes the importance to perceive new approaches in developing tourism product. In order to do so, the research is carried in a spa center as a sample location in Macedonia. Although this paper makes a contribution to the current research on electromagnetic field radiation, no academic study in Macedonia has yet, to our best knowledge, dealt with this topic in this manner. So, the study proposes an identification of new frontiers and strategic dimensions for developing a model for promoting new tourism product based on positive and harmonious energy vibrations in tourism locations in Macedonia.

The paper is divided into several sections. The first addresses the literature review on integral views on the Schumann resonance, along with a brief overview of the produced signal effects over the environment. This is followed by the research methodology. The next section discusses the results, being followed by the main conclusions of the study. The last

section presents the limitations and offers suggestions concerning future research.

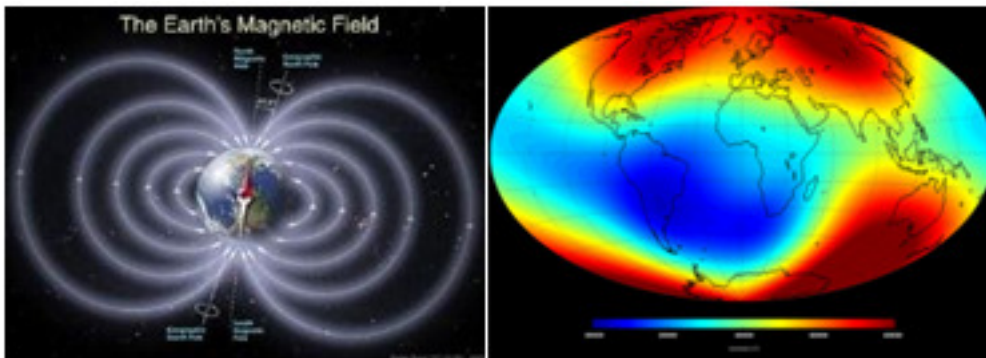
Literature review

This section is devoted mainly to studies investigating the Schumann resonance. However, the electromagnetic frequency has effects on global coherence of living things, so the literature review commences with a discussion of the concept of positive paradigm and potential dynamics over tourism and leisure activities.

Schumann resonance: Integral views

The Schumann resonance (Schumann, 1952) is vastly explored and the literature is continuously growing. It was detected by Balser and Wagner (1960) as a spectrum of resonant electromagnetic waves in the extremely low-frequency range in the Earth-ionosphere cavity (Figure 1).

Figure 1: *Earth magnetic field*



Source: <http://planet-earth-2017.com>

The interest in exploring the SR differs. Yet, from the very beginning the studies were focused on evaluating the characteristics of global lightning and thunderstorm activity (Nickolaenko et al., 2003; Nickolaenko, 1997; Nickolaenko & Hayakawa, 2002), monitoring the global upper-tropospheric water vapor changes (Price, 2000), and monitoring planetary temperature (Williams, 1992). Furthermore, Nickolaenko and Rabinowicz (1982) used the SR in the exploration of the electrical activity and lower ionosphere parameters on celestial bodies.

Schumann resonance effects

The literature contains a large body of work exploring the effects of the Earth magnetic field on all living beings, including humans in their natural environment. Figure 2 clearly shows the presence of the SR by forming distinct peaks starting around the fundamental frequency of 7.8[Hz] with higher harmonic components at 14, 20, 26, 33, 39 and 45[Hz].

As noted by McCraty et al., (2012), and McCraty and Deyhle (2015) this directly overlaps with the central nervous system alpha wave bandwidth which is associated with the psychophysiological coherence of 0.1[Hz], the approximate 10-second cycle of ocean waves and the hypothetical resonant frequency of the Earth.

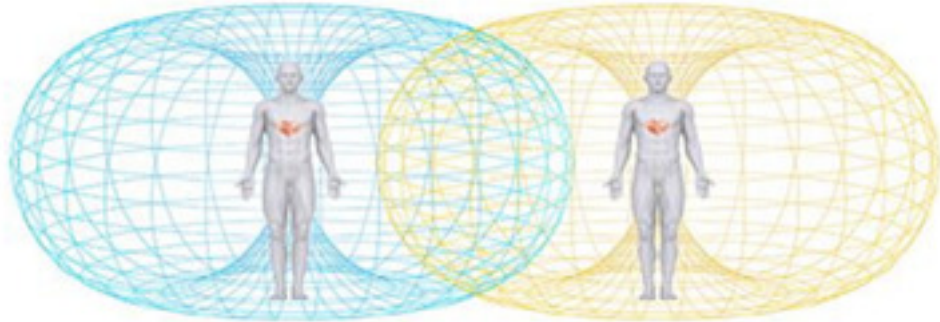
Figure 2: *Schumann resonance*



Source: *Edwards (2015)*

Furthermore, Brizhik et al., 2009 discuss the postulation of feedback loops between all living systems and the Earth's magnetic field, enabling encoded information to be communicated non-locally between people at a subconscious level. In the same line, Lynch (2014), McCraty (2003) and Rosch (2014) argue that the presence of electromagnetic interactions within and between people (Figure 3) have vast implications for interpersonal communication, psychotherapy, healing, and future related research and praxis, which have hardly been tapped.

Figure 3: *Intra-personal and interpersonal bio-electromagnetic interactions*



Source: *Edwards (2015)*

McCraty et al., (2012) also note that changes in the Earth's magnetic field affect human heart rhythms, brain, and nervous system activity; athletic performance, memory and other tasks; synthesis of nutrients in plants and algae; the number of reported traffic violations and accidents; mortality from heart attacks and strokes; and incidence of depression and suicide.

Research methodology

Case study - Kežovica Spa, Štip (Macedonia)

Štip is the largest urban city situated in the eastern part of Macedonia and generally serves as an industrial and educational center for the region. Despite tourist potential, it is not developed in tourism manner and incorporates only 0.68% of total tourist arrivals (7,645 tourists) and 0.64% of total overnights (20,452 overnights) registered in 2018.

As per the national context, although being noted as one of the national strategic priorities of the country (The Government of the Republic of Macedonia, 2016), tourism contribution is still modest. Some improvements are expected for the forthcoming period according to the latest National Tourism Strategy (2016-2021), where the focus is on urban, cultural and lake tourism. According to Petrevska and Collins-Kreiner (2017), Macedonia is in the "development" stage of its life cycle and has reached a state of tourism maturity.

Macedonia has seven main geothermal fields with 18 thermal water localities. including more than 50 occurrences as springs and wells. generally being identified in the eastern and northeastern parts of the country. Yet, probably due to the low temperature of Macedonia's

geothermal water, the geothermal energy is barely used as a renewable source of energy in the country. According to the Energy Balance for 2015-2019, the geothermal energy participated with 2.36% in the national energy balance of renewable energy sources (Popovska-Vasilevska & Armenski, 2016).

Kežovica Spa is located 2 km southeast from the center of Štip. With the water radioactivity of 43.7 Mach, it is known as one of the most radioactive thermal mineral waters not only in Macedonia but also in the Balkans (Figure 4). The thermal mineral water temperature is between 54-70°C with a flow rate of 5.4 l/sec (Gorgieva & Popovski, 2001). Due to high radioactivity, the water in Kežovica Spa has such complex favorable chemical content full with lots of minerals that positively affect people's health. It is recommended and used as curative of rheumatism, knuckles conditions, nervous system, diabetes, infertility, arteriosclerosis, skin diseases and inflammations, high blood pressure, etc. Local residents use the water from the springs for drinking, inhalation and treating some lung problems.

Figure 4: Location of spas in Macedonia, with Kežovica Spa

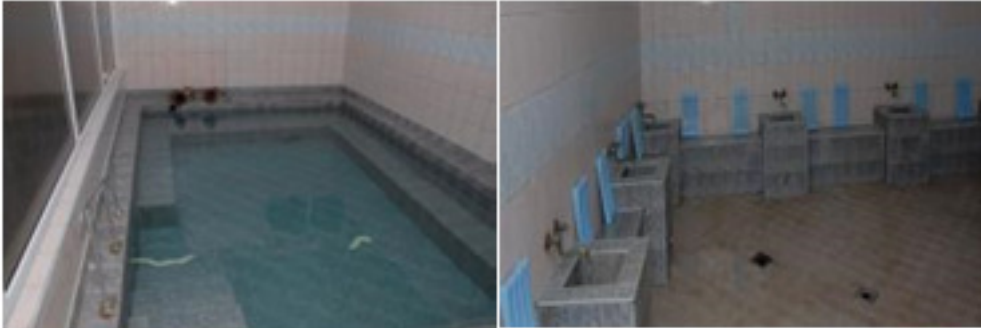


Source: Gorgieva & Popovski (2001)

Today, Kežovica spa (Figure 5) has renovated bath with pools and a center for rehabilitation. The complex has a unit for physic-therapy, which uses the most modern devices and treatment methods. This spa has

a capacity of 105 beds and encompasses almost 7% of all beds registered within Macedonia's spas (1,579 beds). Additionally, there is a possibility to be accommodated in modern private facilities in the center of Štip.

Figure 5: *Kežovica Spa*



Source: *Google images (Kežovica Spa)*

Although the water of Kežovica Spa is thermal and offers the possibility to be used as a geothermal resource, so far it has not been used. Besides balneology being the main applicative form, some further utilization may include greenhouse heating, plastic houses heating, drying of agricultural products, district heating, preparation of sanitary warm water, etc. Yet, power generation is not applicable since the temperature is far below the limit of technical feasibility. Despite the high awareness of Kežovica Spa potential for the local economic development, the local authorities have not still initiated any serious project for spa tourism development.

Research aims and questions

The study has a primary aim to investigate and evaluate the potential impact of the Schumann resonance over tourists and visitors that visitor may visit Kežovica Spa. Moreover, the research utilizes the data measurements and underlines the possibilities to use the spa as a relaxing ambient full with positive and harmonious energy vibrations.

In order to fulfill the aim, the main objective of the paper is to ascertain how the Earth's wave distributes information, the intensity, and possible affection. During the analysis, the focus was on the following particular questions:

- RQ₁: How to manage the signal of the Earth magnetic field for tourism purposes?

- RQ₂: How to perceive the effects on tourists and visitors from different approaches (psychological, physiological, neurological, etc.)?
- RQ₃: Which measures to recommend for promoting new tourist product that may result in the ultimate satisfaction of tourists?

Study method

The study is based on a mixed research method incorporating qualitative and quantitative information obtained by primary and secondary sources. In this manner, the authors have reviewed and made an in-depth analysis of relevant literature with a focus on the measurements of the Earth magnetic field and investigating its positive effects on the biosphere. To deepen the information collected through the desk research, the data were gathered from primary sources by using 16 Bit AD converter. Furthermore, a self-made induction Schumann antennas 16 [Hz] were designed at the laboratory of the Faculty of Natural Sciences.

The data were collected from two locations (Plačkovica and Kežovica Spa) and further processed with the software package T-Soft. Besides the presentation of the original signals on both locations, the low band pass Butterworth filter 1-35 [Hz] was applied, and the Fast Fourier Transform spectrum was done.

In order to provide relevant accuracy and significance of the interpreted results, two types of data were compared:

- First, the authors used the data already gathered from the field research undertaken in September 2015 at the mountain Plačkovica. All started in 2013 when prof. Lazo Pekevski forms the Seismological Observatory in Skopje as the lead expert of the team of university professors who set up a fixed antenna to receive and register the extreme-low frequencies from 1,400m heights, thus covering a large territory. Moreover, this antenna serves as a referent measurement point enabling purifying, correcting and comparing data obtained from other locations in its nearby vicinity. After performing several pilot measurements, as of 2015, prof. Pekevski with collaborators recorded and utilized data for scientific purposes (Popovski et al, 2017; Panov et al., 2016);
- Second, the authors undertook new measurements in February 2019 directly at the near vicinity of Kežovica Spa, as a case study for this research.

Figure 6: *Preparation phase and measurement instruments*

a – Preparations, Plačkovica (2015) b - Induction antennas used in 2015



c–Preparations, Kežovica Spa (2019) d – Induction antenna used in 2019



Source: *Authors*

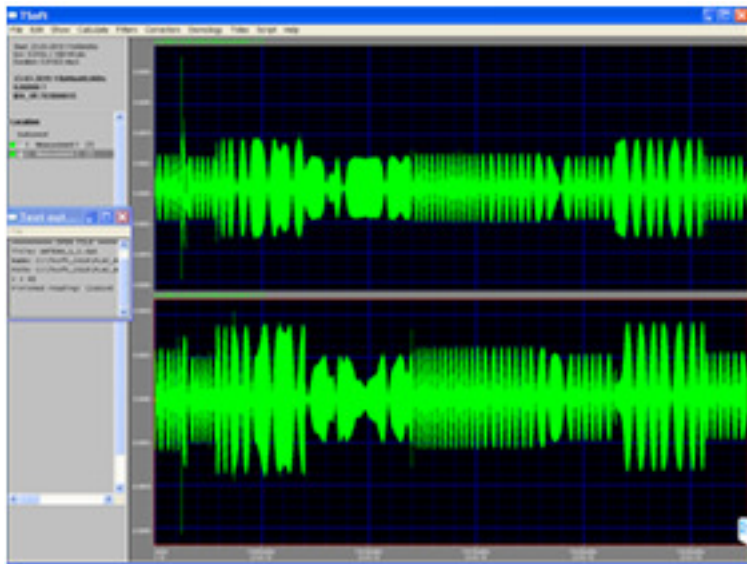
Figure 6 visually presents the preparation phase applied in 2015 (Figure 6a) and 2019 (Figure 6c), along with the applied measurement instruments on both locations Plačkovica (Figure 6b) and Kežovica Spa (Figure 6d), respectively. On both locations, the measurements were repeated in many various intervals during the day for one month period. This was done due to fact that the effects of the solar wind and magnetization differ during the day (and during the night) and vary on a range of timescales from minutes to hours. Through extensive research, for the purpose of the study, the authors extracted and interpreted data from a one month sample period, as a reference time period (September 2015 at Plačkovica location, and February 2019 at Kežovica Spa location).

Generally, the measurements upon which data are analyzed and the conclusions are made, spread over one month period, with constant recorded intervals of 2-3 hours. The time sample was randomly chosen, though the main focus was on the following momentums:

- Early mornings (7:00 – 9:00 o'clock), as the usual time when elderly local residents visit the spa for the regular daily bath;
- Noon periods (11:00 – 13:00 o'clock), as preferred time for medical treatments; and
- Early afternoons (15:00 – 17:00 o'clock), as the period when non-working residents often visit the spa for recreational purpose.

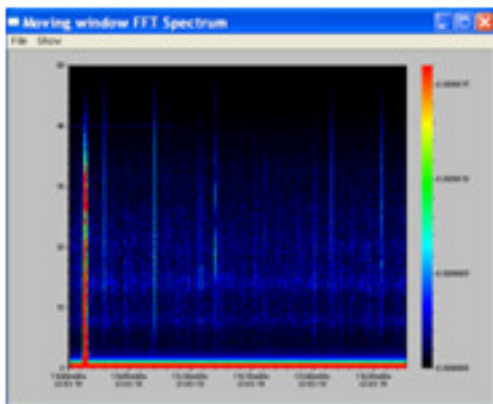
Results and discussion

Figure 7: *Basic signal (top: Plačkovica, bottom: Kežovica Spa)*

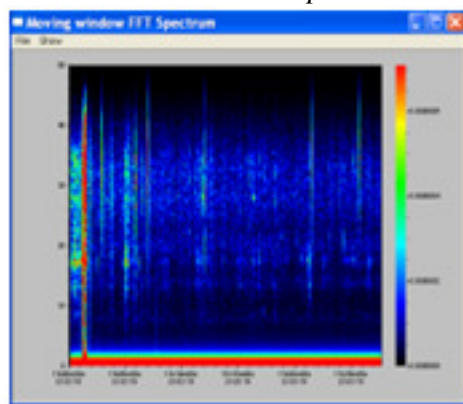


Source: *Authors*

Figure 8: *Spectrogram*
a - Plačkovica



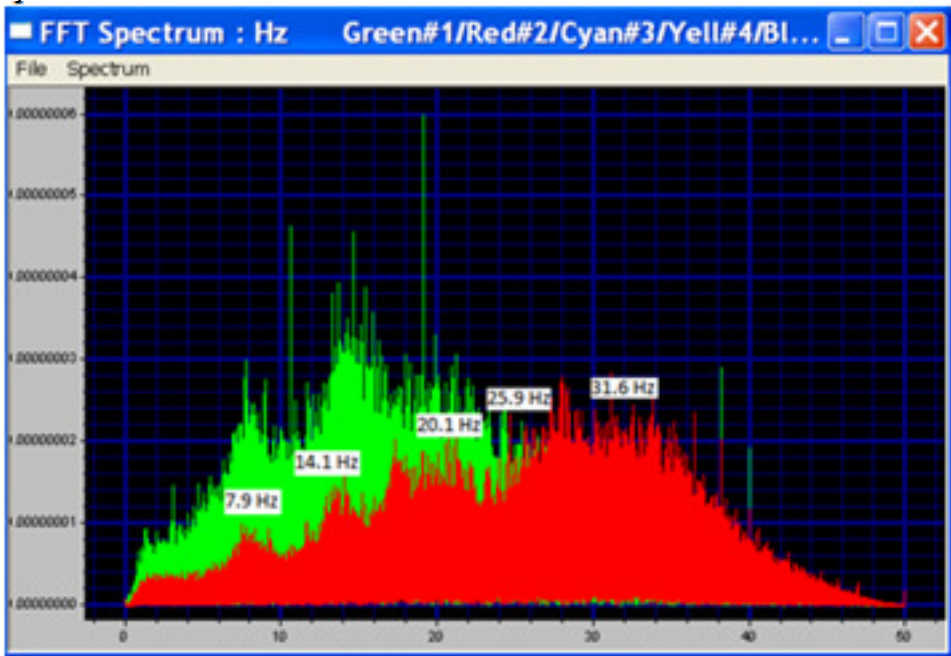
b - Kežovica Spa



Source: *Authors*

Figures 7 and 8 present just a small extract from numerous data obtained from the measurements in Plačkovica and Kežovica Spa. Figure 7 presents the basic signal from both locations, and figure 8 presents their spectrograms.

Figure 9: *Comparing Plačkovica (green) and Kežovica Spa (red) spectrums*



Source: *Authors*

A more close comparison is presented in Figure 9. The research revealed that Kežovica Spa has a significant presence of the basic pulsation of the Schumann resonance of 7.9[Hz] along with other harmonics at 14.1[Hz], 20.1[Hz], 25.9[Hz] and 31.6[Hz]. It is known that such impulses have positive therapeutic effects on humans, whereas the frequencies around 7-8[Hz] support the bone growth, frequencies around 10[Hz] support the ligament healing, while the frequencies around 15[Hz] are in favor for capillary formation, fibroblast proliferation and decrease skin necrosis (Human frequency blog b, 2019). Another positive impact of Schumman resonance on the human body is already vastly discussed (Babayev & Allahverdiyeva, 2005; Gubbins & Herrero-Bervera, 2007; Persinger & Saroka, 2015).

Having in mind that usually, local residents who visit Kežovica Spa have problems with heart rhythms, brain, and nervous system activity, such registered magnetic field may stream with high positive signals. This is expected to affect in a most positive manner to visitors' heart rate, blood pressure and overall health condition and calming, as already discussed by HeartMath Institute (2019), Mitsutake et al., (2005), McCraty et al., (2012), and Ward and Henshaw (2016).

The results point that Kežovica Spa may easily be promoted as a tourist and recreational area that offer ultimate satisfaction in an ambient with positive and harmonious energy vibrations, thus attracting visitors, one-day trippers, excursionists and nature-lovers who appreciate and support local environmental quality.

Conclusion

The paper makes an attempt to draw attention to how to manage and utilize the Earth's magnetic field for tourism purposes. In order to do so, the study supports the thesis with results obtained by measuring the Schumann resonance in Kežovica Spa in Štip, Macedonia. Generally, by combining the insights from primary and secondary sources, it was found that Kežovica Spa, along with the surrounding vicinity of Štip (with particular reference to Plačkovica Mountain) receives natural electromagnetic waves with extremely low frequency, known as the Schumann resonance.

Furthermore, the study reveals that such effects may be perceived by tourists and visitors from different approaches, like psychological, physiological, neurological, etc. Hence, it may provoke to feel more relaxed, full of energy, revitalized and reenergized. That means that Kežovica Spa may attract much more visitors than the current number if being promoted as a recreational and leisure area that offers more than just an ordinary spa treatment.

Having in mind that the therapeutic benefit of the electromagnetic field radiation on human's health from a medical perspective has been scientifically proven, Kežovica Spa may gain an added value. Besides the ordinary balneology treatment, a new dimension may be added by putting a focus on a new product that may result in a comprehensive satisfaction in an ambient full of harmonious energy vibrations.

We strongly believe that a model for comparing the consumption of the "basic tourist product" with the consumption of a "new tourist product" may contribute to an adequate understanding of the findings. Hence, Kežovica Spa, along with Štip, needs to undergo the process of developing a new product for tourism consumption. This process goes in tandem with different tourism promotion strategies became popular in many cities around the world (Ben-Dahlia et al., 2013; Law, 1996; Selby, 2004). This may be a good opportunity for developing spa tourism based on positive impulses from nature, and creating and generating no negative impacts on the environment caused by tourism. Moreover, such innovative approach may lead to sustainable development, thus promoting and offering specific tourism product with zero seasonality.

When visitors of Kežovica Spa are going to be told that the Earth's magnetic field positively encode and interact with their consciousness, emotions, and thoughts, it is believed that they will be willing to extend the duration of the stay (being 2.7 days for 2018) and to visit the location again. The local economic development may be boosted, tourism private initiative may arise and Štip may be transformed from the largest urban industrial and educational center in the eastern part of Macedonia to the leading spa tourism city in the country. This, by all means, posts a necessity of creating tourism-friendly settings conditions from the environment and applies them pragmatically in the fast-growing tourism industry thus making stable and equitable local and regional economic prospects.

On the other hand, Macedonia lacks tourism planning which imposes the need of creating clearly defined and recognizable offer by designing niche tourist products (Petrevska et al., 2018). Consequently, key tourism players on a local, regional and national level need to identify such solution approaches that can proactively aim at increasing the visibility of Kežovica Spa as a destination that besides traditional way of consuming balneology spa services possesses additional positive aspects for rejuvenation and overall wellbeing, regardless of age and gender.

Limitation and future work

The research was limited by several factors that can serve as productive starting points for future work.

First, the measurements at Kežovica Spa were done in a short time period, so additional time extension spanning over a calendar year and numerous repetitions of measurements during the day-time period may be involved. This is to better assess signal impulses in the sampled location, but also to purify the data from magnetic storms and sub-storms, electric discharges and thunderstorms that occasionally appear.

Second, instead of measurements with only one mobile instrument, performing measurements with several more mobile induction antennas could be beneficial and advisable. This will enable comparison of data, particularly in the line of their consistency and accuracy.

Finally, when doing a case study research, there is a risk for generalization of the findings and the danger of overrating details and specifics. This is often criticized as the biggest disadvantage when applying a case study method for research purposes (Muno, 2009; Sartori, 1994; Yin, 1984).

The limitations, however, do not diminish the significance of the findings, but they rather suggest some broad directions for further research. Notwithstanding the difficulties, this article assists in a better understanding of the distribution of the magnetic field signals, their dispersion and effects on current, but also on potential tourists and visitors. Overall, the research generates useful findings and points to valuable directions for further work.

References

1. Babayev, S. E., Allahverdiyeva, A. A. (2005). Geomagnetic Storms and their Influence on the Human Brain Functional State. *Revista CENIC Ciencias Biológicas*, Vol. 36, 1-7.
2. Balser, M., Wagner, C. A. (1960). Observations of Earth-ionosphere cavity resonances. *Nature*, Vol. 188, No. 4751, 638.
3. Ben-Dahlia, S., Collins-Kreiner N., Churchman A. (2013). Evaluation of an Urban Tourism Destination. *Tourism Geographies*, Vol. 15, No. 2, 233-249.

4. Brizhik, L., Del Giudice, E., Jorgensen, S.E., Marchettini, N., Tiezzi, E. (2009). The role of electromagnetic potentials in the evolutionary dynamics of ecosystems. *Ecological Modelling*, Vol. 220, 1865-1869.
5. Edwards, S. D. (2015). The global coherence initiative: Opportunities for scientific research and health promotion. *African Journal for Physical Health Education, Recreation and Dance*, <https://www.researchgate.net/publication/286869493>, (13 December 2018).
6. Google images. *Images on Kežovica Spa*, <https://www.kanal5.com.mk/articles/216871/banja-kezhovica-prv-spacentar-vo-makedonija>, and <http://discoverbg.mk.com/mk/item/kezovica-spa/> (20 February 2019).
7. Gorgieva, M., Popovski, K. (2001). Thermal spas in Macedonia. In: Proceedings of the International Workshop on Balneology and Water Tourist Centres International Geothermal Days "Germany 2001", 21-22 September, Bad Urach, Germany, 37-48.
8. Government of the Republic of Macedonia. (2016). National Strategy on Tourism Development 2016-2021, Skopje.
9. Gubbins, D., Herrero-Bervera, E. (2007). *Encyclopedia of Geomagnetism and Paleomagnetism*, Springer, Netherlands.
10. HeartMath Institute, (2019). *Effects of Geomagnetic, Solar and Other Factors on Humans*, <https://www.heartmath.org/articles-of-the-heart/effects-geomagnetic-solar-factors-humans/>, (1 February 2019).
11. Human frequency blog (b). *Reiki Frequencies and Schumann Resonances*, <https://www.humanfrequencies.com/> (20 February 2019).
12. Law, M. C. (1996). *Tourism in Major Cities*. London: International Thomson Business Press.
13. Lynch, J. J. (2014). Hidden therapeutic dialogue: Decoding the language of the human heart. *Neuropsychotherapist*, July, 49-70.
14. Mitsutake, G., Otsuka, K., Hayakawa, M., Sekiguchi, M., Cornélissen, G., Halberg, F. (2005). Does Schumann resonance affect our blood pressure?, *Biomedicine & Pharmacotherapy*, Vol. 59, S10-S14.

15. McCraty, R. (2003). *The energetic heart. Bioelectric interactions within and between people*. HeartMath Research Centre, Boulder Creek, CA: Institute of HeartMath.
16. McCraty, R., Deyhle, A. & Childre, D. L. (2012). The Global Coherence Initiative: creating a coherent planetary standing wave. *Global Advances in Health and Medicine*, Vol. 1, No. 1, 64-77.
17. McCraty, R., Deyhle, A. (2015). The Global Coherence Initiative: Investigating the dynamic relationship between people and the earth's energetic systems. In: P. J. Rosch (Ed.), *Bio-electromagnetic and Subtle Energy Medicine*, 2nd Edition, Boca Raton, FL: CRC Press, 411-425.
18. Muno, W. (2009). Fallstudien und die vergleichende Methode. In: Pickel, S., Pickel, G., Lauth, H.-J., Jahn D. (Eds), *Methoden der vergleichenden Politik- und Sozialwissenschaft*, Wiesbaden, 113-131.
19. Nickolaenko, A. P., Besser, B. P., Schwingenschuh, K. (2003). Model computations of Schumann resonance on Titan. *Planetary and Space Science*, Vol. 51, No. 13, 853-862.
20. Nickolaenko, A. P. (1997). Modern aspects of Schumann resonance studies. *Journal of Atmospheric and Solar-Terrestrial Physics*, Vol. 59, No. 7, 805-816.
21. Nickolaenko, A. P., Hayakawa, M. (2002). *Resonances in the Earth-Ionosphere Cavity*, Kluwer Acad., Norwell, Mass.
22. Nickolaenko, A. P., Rabinowicz, L. M. (1982). On the possibility of existence of global electromagnetic resonances on the planets of solar system1. *Earth*, Vol. 6, No. 10.6, 18-3.
23. Panov, Z., Karanakova Stefanovska, R., Minov, K., Blagica D., Popovski R. (2016). Rehabilitation of the landslide – monitoring, measures and procedures for fast rehabilitation, Proceedings of the Scientific and Technical Union of Mining, Geology and Metallurgy from the VII International Geomechanics Conference, 27 June-01 July 2016, Varna, Bulgaria.
24. Persinger, A. M., Saroka, S. K. (2015). Human Quantitative Electroencephalographic and Schumann Resonance Exhibit Real-Time

Coherence of Spectral Power Densities: Implications for Interactive Information Processing, *Journal of Signal and Information Processing*, Vol. 6, 153-164.

25. Petrevska, B., Collins-Kreiner, N. (2017). Double Life Cycle: Determining Tourism Development in Macedonia. *Journal of Tourism and Cultural Change*, Vol. 15, No. 4, 319-338.

26. Petrevska, B., Krakover, S., Collins-Kreiner, N. (2018). Preserving the Cultural Assets of Others: Jewish Heritage Sites in Macedonian Cities. *Tourism Geographies*, Vol. 20, No. 3, 549-572.

27. Popovska-Vasilevska, S., Armenski, S. (2016). Geothermal potential of Macedonia and its utilization. In: Papic, P. (Ed.), *Mineral and thermal waters of Southeastern Europe*, Springer, 131-146.

28. Popovski, R., Pekevski, L., Panov, Z., Doneva, B., Karanakova Stefanovska, R. (2017). Monitoring of seismic activity of the earth dam Topolnica mine Bucim, Republic of Macedonia, Proceedings from the 7th Balkan Mining Congress "Balkan Mining for the Friendship and Progress", 11-13 October 2017, Prijedor, Bosnia and Herzegovina.

29. Planet Earth. *Images on Earth magnetic field*, <http://planet-earth-2017.com> (20 February 2019).

30. Price, C. (2000). Evidence for a link between global lightning activity and upper tropospheric water vapor. *Nature*, Vol. 406, No. 6793, 290.

31. Rosch, P. J. (2014). Why the heart is more than a pump. *Neuropsychotherapist*, July, 1-13.

32. Sartori, G. (1994). Compare Why and How. Comparing, Miscomparing and the Comparative Method. In: Dogan, Mattei/Kazancigil, Ali (Hrsg.): 14-34.

33. Selby, M. (2004). Consuming the city: conceptualizing and researching urban tourist knowledge. *Tourism Geographies*, Vol. 6, No. 2, 186-207.

34. Schumann, W. O. (1952). *On the radiation-free self-oscillations of a conducting sphere which is surrounded by an air layer and an ionospheric shell* (in German), Z. Naturforsch. A, 7, 149.
35. Ward, P. J., Henshaw, L. D. (2016). *Geomagnetic Fields, their Fluctuations and Health Effects*, unpublished, <https://www.researchgate.net/publication/242259262>.
36. Williams, E. R. (1992). The Schumann resonance: A global tropical thermometer. *Science*, Vol. 256, No. 5060, 1184-1187.
37. Yin, R. K. (1984). *Case study research: Design and methods* (1st ed.). Beverly Hills, CA: Sage Publications.

TOURISM DEVELOPMENT STRATEGIES: NEW ASPECTS TAILORED UPON THE SCHUMANN RESONANCE

Mimoza Serafimova¹; Risto Dambov²;

Abstract

From its existence, man seeks to visit places where he feels calm, filled with positive energy and pleasure. Such places exist and represent a long-standing sphere of interest both to individuals who explore and travel on their own, as well as to modern tourism, which focuses on health and development of such places and offers on tourism market through development strategies. In this paper, the strategies that are elaborated are the ones that will associate availability of such locations with the electromagnetic field in their surroundings and the people's need to enjoy its influence. The main focus is put on the impact on the global magnetic field of the Earth, represented through the Schumann resonance and its potential influence on human health and the creation and application of development strategies that will promote new approaches to this tourism product in Macedonia.

Key Words: *strategy, tourism, human health*

JEL classification: *L83, I12*

Introduction

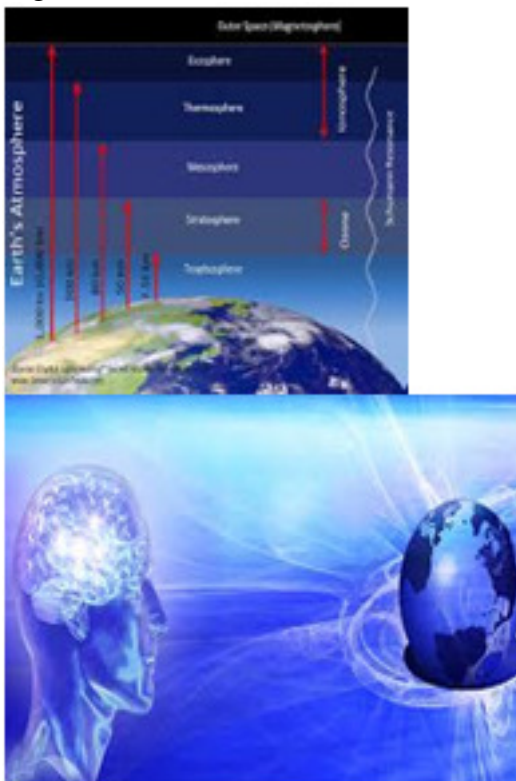
Rapid changes in the world affect the changes of tourists and tourist needs, which more and more explicitly change the character and image of tourism product. Tourism supply and tourism policy make serious efforts to satisfy tourist perceptions, trying to create new approaches and interests towards tourism service, in direction of strategic development of the tourism market, recognized through the number of tourists and overnights.

¹ Mimoza Serafimova, Ph.D., Associate Professor, Faculty of Tourism and Business Logistics, Goce Delcev University - Štip, Macedonia, Campus IV, 2000 Štip, mimoza.serafimova@ugd.edu.mk

² Risto Dambov, PhD, Professor, Faculty of Natural Sciences, Goce Delcev University - Štip, Macedonia, Campus II, 2000 Štip, risto.dambov@ugd.edu.mk

More recently, we are witnessing the importance and attention to the issue of mental and physical health that keep people's focus, as well as the more frequent reference to satisfying the need to explore aspects that will have added value recognized through a positive impact and balance of these two significant issues. Many scientific studies treat the person and his/her physical and mental health and the factors that influence on them, as they try to discover the reasons and consequences of them. There is a constant search for scientific evidence to establish a link between the activity of the sun and the human biological and health effects. They explain the existence of activity in correlation with serious human health influences in which the key element is the role of the Schumann resonance signal (Schumann, 1952) (Figure 1).

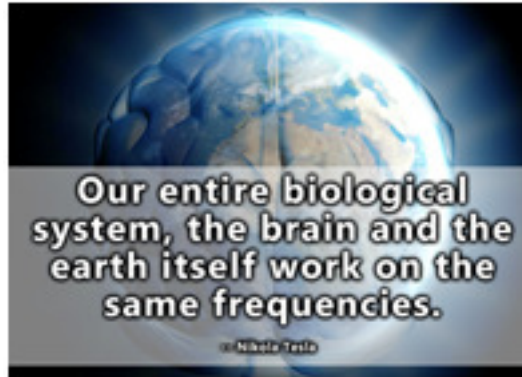
Figure 1: *The Schumann Resonance*



Source: Matthews, S. *Universal life tools*, <https://www.universallifetools.com>, (21 November 2018).

Today Professor Schuman is attributed for this discovery, but the genius Nikola Tesla is the man who was aware of this resonance much earlier, even in 1899 (Figure 2).

Figure 2: Tesla's note



Source: *What is Shuman resonance and why it is important for your health?*, <https://www.drskinhealth.com/blog/schumann-resonance>, (21 November 2018)

The data presented and the ongoing researches on this issue underline the importance of considering these positive impacts as an opportunity for new approaches to develop tourism product through a comprehensive analysis of development strategies for supporting and evaluating the existing opportunities for positive effects on visitors.

Hence, the paper proposes identification of new boundaries and strategic dimensions for developing a promotional model for a new tourism product based on positive and harmonic vibrations of the energy of the existing, but also recognizing similar new tourist locations in Macedonia. The paper emphasizes the possibilities of using thermal water baths, spa centers, churches and monasteries as a relaxing environment, filled with positive and harmonic energy vibrations. The main goal of this paper is to identify strategies for distributing information to travel agencies and users about the impact of the Earth's intensity and possible affection. Thus, the emphasis is put on the following aspects:

- Analyzing the effects on tourists and visitors from different approaches (psychological, physiological, neurological);
- Reorder the existing destinations for medical treatment in spa destinations and destinations for active vacations; and

- Preparing a national strategy for these geographical destinations by regions and on the territory of the whole country.

Methodologically, the paper is divided into several parts. First it represents the literature review on integral positions about the Schumann resonance, along with a brief overview of the produced signal effects on the environment and the human health. The next section offers draft strategic approaches as a support to tourism development, followed by the main conclusions and recommendations. The last section presents the limitations and possible future directions for researches of the investigated subject.

The Schumann resonance and its impacts

The intensity of the Schumann resonance signal is modular and corresponds with the solar activity and the concentrations of electrons in the lowest layers of the ionosphere. Improved or weakened solar activity implicates health problems and increased mortality among humans. The body has highly regulated and powerful integral system which provokes and stimulates healthy living in daily and seasonal climate variations.

The man is a biological human being with relatively stable and coherent well-developed intelligence. The Schumann resonance of 7.83 HZ supplies a frequency interval that supports the electromagnetic signal, providing synchronization necessary for an intelligence (Cherry, 2002). In order to sustain the intelligent thinking, there is a need for constant, globally present synchronizing system that continuously stabilizes human body. The rapid intelligent reactions also demand electromagnetic signalization supported by biochemical system (Cherry, 2003).

On the other side, surrounded by the atmosphere, the Earth may be treated as a medium that generates electromagnetic waves with different frequencies (NASA/GSFC, 2012).

There are numerous waves coming from various artificial appliances, as well as from natural resources as thunder, storms, etc. All these waves expand in different directions. Geometrical and chemical differentiated Earth surface may be treated as a layer with different electric characteristics that show seasonal, daily even hourly variations (Lewicki et al., 1987).

The atmosphere, particularly the ionosphere, may be treated as a plasma-filled non-homogeny medium. Lead by these presumptions, the German physicist Winfried Otto Schumann mathematically proved that the Earth surface and the lower layers of the ionosphere create a chamber that resonates with extremely low frequencies (ELF). His research was based on the presumption that the Earth surface and the inner surface of the ionosphere are ideal concentric spheres with infinite conductive walls. The resonant frequencies were calculated whereas the lowest harmonic was equal to around 10 Hz. (Schumann, 1952) (Figure 3).

Figure 3: *Frequencies calculated by Schumann*



Source: www.heartmath.org/gci-commentaries/meet-annette-deyhle-gci-research-team/

The Schumann resonances represent the pulse of the Earth's heart. They are electromagnetic waves generated from the core of the planet spreading towards its surface and further on towards the ionosphere. The presence of signals was confirmed by measurements in the middle of the 1950s by Schumann and König (1954). So, the primary specter of the frequencies is: Delta 0.5-4 Hz, Teta 4-8 Hz, Alpha 8-13 Hz and 13-30 Hz (Malmivuo & Plonsey, 1995). Hence, the resonance is biophysical relevant (Neil, 2001).

The biophysical mechanism of these effects is detected when investigating why the ELF signals affect the human reactions and the brain signals (Bawin et al., 1973; Bawin & Adey, 1976; Adey, 1980). The effect is a function of the modular frequency more than the signal's

intensity, since it is a resonant phenomenon that includes nonlinear reactions (Adey, 1993).

Until the beginning of the 1980s, this frequency does not exceed 7.83 Hz. This value is in line with the frequencies of human body, particularly the brain and heart (Figure 4). The electromagnetic field generated from human's heart is along with the frequency of 7.83 Hz. However, the Schumann resonances are constantly increasing as of 1980.

Figure 4: *Impact of the Schumann resonance on human health*



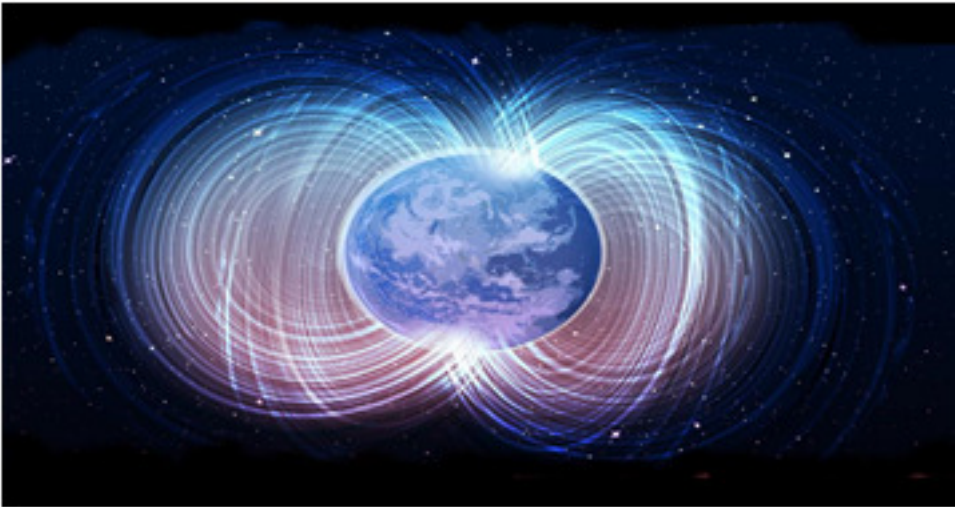
Source: *Space Lovers Club*, <https://subscribe.ru/group/klub-lyubitelej-kosmosa/12569993/> (12 November 2018).

Literature review

The literature contains research on the effects of Earth's magnetic field on all living beings, including humans in their natural environment. This section presents a brief overview on various studies on the Schumann resonance. Since the electromagnetic frequency has an impact on the global coherency of life, the literature review starts with a discussion on the concept of positive paradigm and potential dynamics of tourism and leisure activities.

The Earth behaves as a monumental electric circle. More precisely, the atmosphere is a weak conductor and with no charging source, it will be sprayed out for nearly 10 minutes. There is a gap of 55 km between the Earth's surface and the inner edge of the ionosphere (Schumann & König, 1954) (Figure 4).

Figure 4: Earth magnetic field



Source: *Objekti*, <https://www.obekti.bg/misterii/neshcho-strannos-sesluchvasmagnitnoto-pole-na-zemyata-i-nikoy-ne-znae-zashcho>, (1 November 2018)

The global electromagnetic resonance was predicted by Schumann (1952) and experimentally measured by Balser and Wagner (1962a, 1962b) in the specter of natural electromagnetic radio signals of around 8, 14, 20 Hz, etc. The resonances' vibrations are initiated by electromagnetic charges of global thunderstorms, so they are dependent on spatial distribution of global thunder activity (Holzer, 1958; Rycroft, 1965; Ogawa et al., 1966; Polk, 1969).

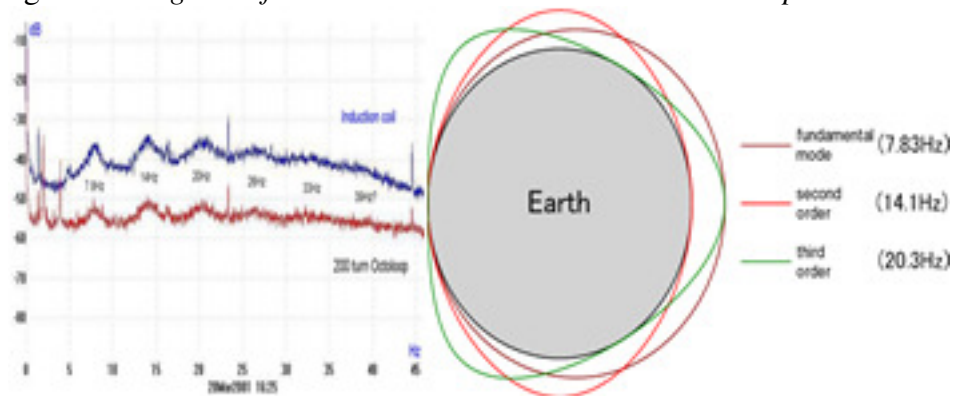
The Schumann signals are being monitored in special observatories aiming to identify efficient parameters of global thunder activity (Fraser-Smith et al., 1991; Williams, 1992; Sentman & Fraser, 1991; Chrissan & Fraser-Smith, 1996; Füllekrug & Fraser-Smith, 1997; Belyaev et al., 1999; Jones, 1999; Satori & Zieger, 1999; Price & Melnikov, 2004; Nickolaenko & Hayakawa, 2002). Generally, the Schumann observatories measure three fields, i.e. components: one vertical, and two normal horizontal magnetic fields. The parameters of the individual Schumann resonant modes derive from the signal power specter. The variations of these parameters were further on continuously researched (Balser & Wagner, 1962a, 1962b; Gendrin & Stefant, 1962; Sao et al., 1971, 1973; Ogawa et al., 1967, 1968; Lazebny et al., 1987; Adey, 1990; Nickolaenko & Rabinowicz, 1995; Nickolaenko et al., 1996, 1998, 1999; Satori, 1996;

Sátori & Zieger, 1996; Sátori et al., 1999; Heckman et al., 1998; Price & Melnikov, 2004; Melnikov et al., 2004).

As waves resulted from the source, they are not present all the time, but must be rather initiated in order to be followed. They are not implicated neither from the inner segments of the Earth, nor from the surface. They are related to the electric activity of the atmosphere, particularly during the intensive thunderstorms. They appear on several frequencies between 6-50 cycles in a second, particularly 7, 8, 14, 20, 26, 33, 39 and 45 Hz, with daily variations of around ± 0.5 Hz. While the characteristics of the Earth's electromagnetic hole are the same, these frequencies remain the same (Hans Volland, 1995).

The limited dimension of the Earth provoke this effect to act as resonant hole for the electromagnetic waves in the diapason of ELF (Figure 5). The Schumann resonances are the main background in the electromagnetic specter (MacGorman & Rust, 1998). Furthermore, it is noted that they occur as particular picks as ELF around 7.83 Hz (fundamental) (Rusov, 2012), and 14.3, 20.8, 27.3 and 33.8 Hz (Montiel, et al., 2005).

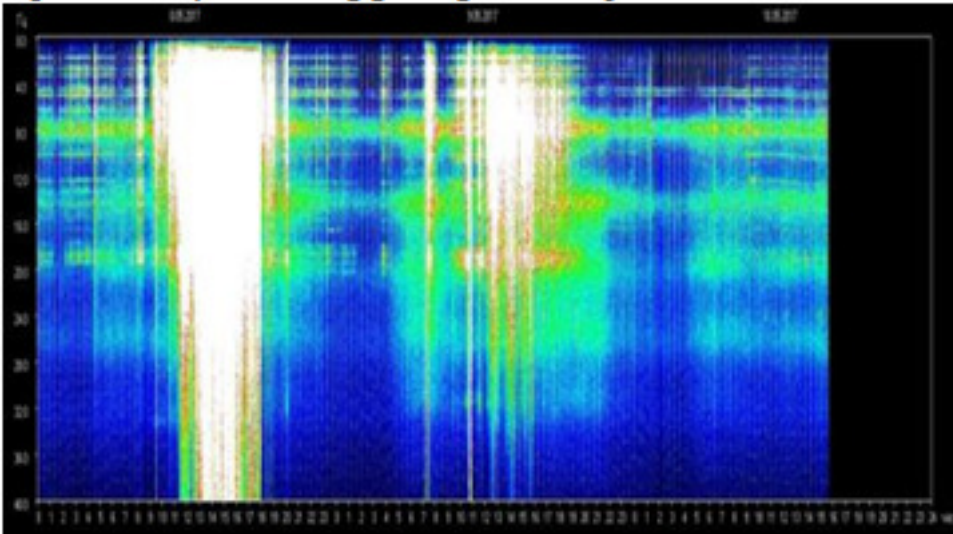
Figure 5: *Diagram of Schumann resonances in Earth's atmosphere*



Source: *Bashar Space-Time Antenna*, <https://basharspacetimeantenna.wordpress.com> (11 January 2018)

If people generally are in line with the natural Earth magnetic frequencies, means that any disturbance may reflect on their health. Some studies suggest that any de-synchronizing geomagnetic disruptions can interfere not only with sleep, mental equilibrium and energy levels, but also with brain, cardiovascular and autonomic nervous system function, circadian rhythm, hormonal secretions and reproduction (Figure 6).

Figure 6 : *De-synchronizing geomagnetic disruptions*



Source: *Eluxe Magazine*, <https://eluxemagazine.com>, (4 February 2019).

National strategies for tourism product growth

The National Tourism Strategy of Macedonia (Kohl & Partner, 2016), which contains an action plan 2016-2020, emphasizes that at the moment, the spa destinations around the mineral water springs are generally consisted of accommodation facilities of the hospital type, with places for conducting the medical treatments. Visitors of these centers are mostly Macedonian citizens, or Macedonian citizens who live abroad currently, with a certain illness, who want to improve their health condition.

The majority of the spa destinations are with limited attraction for those tourists that want to visit them for pleasure. Although the spa market and active vacations are growing in many European countries, due to the mega "health" trend, there are hardly any of such satisfactory tourism products currently available in Macedonia (National Strategy for Tourism - Republic of Macedonia, 2016: 45).

The development results are achieved through using opportunities, not by solving problems (Peter Drucker). The goal of tourist organizations is growth - in terms of product and tourist services sales, added value, profit, increased staffing and resources. One of the challenges that Macedonia is

facing with currently, is how to reduce the unemployment rate and boost employment. Some of the recommendations of the strategy for tourism development can facilitate this process (Serafimova, 2017), which further expands possibilities for economic development (Dambov et al., 2011 and 2017).

The growth of tourist organizations gives them vitality by providing challenges and rewards. In the following section, we present several alternative growth strategies that we believe may contribute to promoting this type of tourism product: growth of the permanent market (permanent product on a permanent market), product development (new product on a permanent market) and market development (permanent product on new markets).

a. Growth of the permanent market - Increasing the number of guests on the existing tourism market - enabling visits, stay and overnights of the existing thermal waters baths, spa centers, churches and monasteries, which are an ongoing product on the existing tourism market on the territory of Macedonia, through (Serafimova & Petrevska, 2015):

- Increasing their share of the existing market through advertising, reducing prices;
- Increasing the frequency of use, starting from the fact that permanent and frequent users are a "worthwhile target" that can effect marketing one-on-one;
- Increasing the frequency of use through insurance incentives, reducing the unwanted consequences of frequent use (if any);
- Finding new applications for existing users informing about the positive effect of the product with data on its impact among visitors who have already had experience with it; and
- Running planed informational campaign through communication for "reminding" and expert opinions of the medical staff, through awareness raising campaigns for tourism that will help to increase tourism profile and hospitality as a challenge as well as prosperous working environment.

b. Product development (new product on a permanent market) - Analysis of the measurements and their parameters and affirmation of those places, recognized as new products on the existing tourist market in Macedonia (Serafimova, 2017):

- Adding features to the listed tourism sites to expand the product line; and
- Developing a new generation of products, recognized through alternative medical approaches to certain existing health problems among visitors and providing exposure to influences due to a positive mental and physical feeling.

c. Development of new markets (a constant product on new markets) -
The development of such tourism product on new markets outside Macedonia could be implemented through the following strategic approaches:

- Geographical spreading - "directing" of the new segments supported by arguments, would appear as information;
- Taking part of the market - an aggressive campaign with media presence, offering packages with promotional price;
- Increase of existing and used quantities of information, with the "recall/remind" approach (when and how the impact of this radiation was recognized, how people experienced it...);
- Establishing effective channels of distribution, linking geographical location with certain age or visitors issue;
- Preparing projects tailored to raising standardized parameters for use; and
- Removing unwanted consequences from using large amounts of incorrect information.

Conclusion

Having in mind that the therapeutic benefit of the electromagnetic field to the people's health, from the medical point of view is scientifically proven, the stated facts which are noticed by tourists and visitors very long time ago cause psychological, physiological, neurological, etc. influences, resulting in a sense of relaxation, positive energy, and revitalization. This means that these places can attract more visitors compared to the current number, if they are promoted as a recreational area that offers more than ordinary spa or wellness treatments, to which new dimension are added by the proposed strategic approaches. Thus, they are focused on a new a product that can result in overall satisfaction in an ambience full of harmonious energy vibrations.

This can be a good opportunity for further development of tourism in Macedonia, based on positive impulses from the nature and creation of certain negative impacts on the environment caused by tourism. Beside this, the innovative approach can lead to sustainable development, which will promote and offer a specific tourism product, accelerating development and innovation, which is more than necessary for future national development strategy.

Furthermore, tourism in Macedonia should be observed in broad, macroeconomic frames as specific market segment which dimensions and economic content comprehensively may be interpreted within the quantity and structure of tourism expenditure. That is the only way for creating analytical frame for identifying all tourism impacts, and thus, to define objectively its position within the global development strategy in Macedonia (Petrevska, 2011). Namely, part of the main reasons for insufficient development of tourism sector can be allocated in "unclear definition of development goals and adjusted development strategies" (Edgell, 2008). There is a lack of defining the development priorities, which is a basic element of development strategy of a country (Gunn, 1993; Hall, 2005). It is necessary to create an analytical frame for identifying tourism possibilities, and thus, to define objectively its position within the global development strategy in Macedonia. This will assist local, regional and national authorities in implementing appropriate medium- to long-term tourism development strategies.

Additionally, the paper highlights that tourism in Macedonia must have significant position in the overall development strategy being defined as a key opportunity for development. It underscores the need for continuous search for new aspects of tourism product as an important consideration to all tourism key-actors responsible for creating development strategies in Macedonia.

References

1. Adey, W. R. (1993). Biological effects of electromagnetic fields. *Journal of Cell Biochem*, Vol. 51, No. 4, 410-416.
2. Adey, W.R. (1980). Frequency and power windowing in tissue interactions with weak electromagnetic fields. *Proc IEEE* Vol. 68, No. 1, 119-125.

3. Adey, W. R. (1990). Joint actions of environmental nonionizing electromagnetic fields and chemical pollution in cancer promotion. *Environ Health Perspectives*, Vol. 86, No. 2, 297-305.
4. Balser, M., Wagner, C. A. (1962), Diurnal power variations of the Earth-ionosphere cavity modes and their relationship to world-wide thunderstorm activity, *J. Geophys. Res.*, Vol. 67, No. 2, 619-625.
5. Balser, M., Wagner, C. A. (1962). On frequency variations of the Earth-ionosphere cavity modes, *J. Geophys. Res.*, Vol. 67, 4081–4083.
6. Bashar Space-Time Antenna, <https://basharspacetimeantenna.wordpress.com>, (11 January 2018).
7. Bawin, S. M., Adey, W. R. (1976). Sensitivity of calcium binding in cerebral tissue to weak environmental oscillating low frequency electric fields. *Proc Nat Acad Sci USA* Vol. 73, 1999- 2003.
8. Bawin, S.M., Gavalas-Medici, R., Adey, W. R. (1973). Effects of modulated very high frequency fields on specific brain rhythms in cats, *Brain Res* Vol. 58, No. 1, 365-384.
9. Belyaev, G. G., Schekotov, A. Y. Shvets, A. V. Nickolaenko. A. P. (1999). Schumann resonances observed using Poynting vector spectra, *J. Atmos. Sol. Terr. Phys.*, Vol. 61, No. 2, 751–763.
10. Cherry, N. J. (2002). Schumann Resonances, a plausible biophysical mechanism for the human health effects of Solar/Geomagnetic Activity, *Natural Hazards*, Vol 26, No. 3, 279-331.
11. Cherry, N.J. 2003 - Human intelligence: The brain, an electromagnetic system synchronized by the Schumann Resonance signal, *Medical Hypotheses* 60 (60), 843-4.
12. Chrissan, D. A., A. C. Fraser-Smith. (1996). Seasonal variations of globally measured ELF/VLF radio noise, *Radio Sci.*, Vol. 31, No. 4, 1141–1152.
13. Dambov, R., Petrevska, B., Spasovski, O., Nikolovski, D. (2011). *Economic development of mining in Macedonia. Proceedings from the International Symposium ISTI, ORRE & IRSE*, 11-15 September 2011, Zlatibor, Serbia, Vol. 11, No.1, 391-397.

14. Dambov, R., Trajkovic, S., Karanakova Stefanovska, R. (2017). *Measuring the seismic effects of a quarry for marble. Proceedings from the 7th Balkan mine Congress*, 11-13 October 2017, Prijedor, Bosnia and Herzegovina. Vol.1., No 1, 147-154.
15. Dambov, R., Trajkovic, S., Karanakova Stefanovska, R. (2017). *Measuring the seismic effects of a quarry for marble. 7th Balkan mine Congress*. Prijedor, Vol.1., pp. 147-154, 11-13 October 2017, Bosnia and Herzegovina.
16. Edgell, D. L. et al. 2008. *Tourism Policy and Planning: Yesterday, Today and Tomorrow*, Elsevier Inc. European Commission. Eurostat, Statistics Database, <http://www.ec.europa.eu/eurostat> (12 December 2009).
17. Eluxe Magazine, <https://eluxemagazine.com>, (4 February 2019).
18. Fraser-Smith, A. C., P. R. McGill, A. Bernardi, R. A. Helliwell, M. E. Ladd. (1991). *Global measurements of the low frequency radio noise, in Environmental and Space Electromagnetics*, edited by H. Kikuchi, 191–200, Springer, New York.
19. Füllekrug, M., A. C. Fraser-Smith. (1997). Global lightning and climate variability inferred from ELF magnetic field observations, *Geophys. Res. Lett.*, Vol. 24, No. 2, 2411–2414.
20. Gendrin, R., R. Stefan. (1962). Effet de l'explosion thermonucléaire a très basse altitude de Juillet 1962 sur la résonance de la cavité terrestre-ionosphère, résultats expérimentaux, C. R. Hebd. *Seances Acad. Sci.*, Vol. 255, No. 4, 2273–2275.
21. Gunn. C. A. (1993). *Tourism Planning – Basics. Concepts. Cases*. Third Edition. Clare A. Gunn. Taylor & Francis, 1101 Vermont Avenue, N.W., Suite 200, Washington, D.C.
22. Hall, M. C. (2005). The Future of Tourism Research, in B. Ritchie et al. (Ed.) *Tourism Research Methods: Integrating Theory with Practice*, (pp. 221-231), CABI Publishing.
23. Hans Volland. (1995). *Handbook of Atmospheric Electrodynamics*, vol. I", CRC Press. Chapter 11 is entirely on Schumann Resonances and

is written by Davis Campbell at the Geophysical Institute, University of Alaska, Fairbanks AK, 99775.

24. HeartMath Institute. (2017). Schumann Resonance Response Graph [Online] <https://www.heartmath.org/research/global-coherence/gcms-live-data/> (27 June 2017).

25. Heckman, S. J., E. Williams, B. Boldi. (1998). Total global lightning inferred from Schumann resonance measurements, *J. Geophys. Res.*, Vol. 103, No. 31, 775–780.

26. Holzer, R. E. (1958). World thunderstorm activity an extremely low frequency spherics, in *Recent Advances in Atmospheric Electricity*, edited by L. G. Smith, pp. 559–607, *Elsevier*, New York.

27. Jones, D. L. (1999). ELF sferics and lightning effects on the middle and upper atmosphere, *Modern Radio Science 1999*, edited by M. A. Stuchly, pp. 171–189, *Oxford Univ. Press*, New York.

28. Kohl & Partner (2016). National Tourism Strategy 2016 – 2020 Macedonia, Executor: Kohl & Partner DOO Skopje, Macedonia.

29. Lazebny, B. V., A. P. Nickolaenko, V. E. Paznukhov, L. M. Rabinowicz, V. F. Shulga. (1987). Evaluation of global lightning activity parameters from the records of the coherence measure (in Russian), *Geomagn. Aeron.*, Vol. 27, 516–518.

30. Lewicki, D. R., Schaut, G. H., Persinger, M.A. (1987). Geophysical variables and behavior: XLIV. Days of subjective precognitive experiences and the days before the actual events display correlated geomagnetic activity. *Perceptual and Motor Skills*, Vol. 65, No. 1, 173–174.

31. MacGorman, D. R., Rust, W. D. (1998). *The electrical nature of storms*. New York: Oxford University Press, USA.

32. Malmivuo, J. Plonsey, R. (1995) *Bioelectromagnetism: Principles and Applications of Bioelectric and Biomagnetic Fields*. Oxford University Press, Oxford.

33. Matthews, S. *Universal life tools*, <https://www.universallifetools.com>, (21 November 2018).
34. Melnikov, A., C. Price, G. Satori, M. Füllekrug. (2004). Influence of the solar terminator passages on Schumann resonance parameters, *J. Atmos. Sol. Terr. Phys.*, Vol. 66, No. 4, 1187–1194.
35. Montiel, I., Bardasano, J. L., Ramos, J. L. (2005). Biophysical Device For The Treatment Of Neurodegenerative Diseases. In Méndez-Vilas, A. Recent Advances in Multidisciplinary Applied Physics. *The First International Meeting on Applied Physics*, Badajoz, Spain. 63–69.
36. Nail, C. (2001). Schumann Resonances, a plausible biophysical mechanism for the human health effects of Solar/Geomagnetic Activity, *Natural Hazards Journal*, Vol. 26, No 3, 279–331.
37. NASA/GSFC (2012). *Shouman's Resonant Animation*, <http://svs.gsfc.nasa.gov/vis/a010000/a010800/a010891/>, (27 June 2017).
38. Nickolaenko, A. P., Rabinowicz, L. M. (1995). Study of the annual changes of global lightning distribution and frequency variations of the first Schumann resonance mode, *J. Atmos. Terr. Phys.*, Vol. 57, No. 3, 1345–1348.
39. Nickolaenko, A. P., Hayakawa, M. Hobara, Y. (1996). Temporal variations of the global lightning activity deduced from the Schumann resonance data, *J. Atmos. Terr. Phys.*, Vol. 58, No. 4, 1699–1709.
40. Nickolaenko, A. P., Satori, G., Ziegler, V., Rabinowicz, L. M., Kudintseva, I. G. (1998). Parameters of global thunderstorm activity deduced from the long-term Schumann resonance records, *J. Atmos. Solar-Terr. Phys.*, Vol. 60, No 3, 387–399.
41. Nickolaenko, A. P., Hayakawa, M., Hobara, Y. (1999). Long-term pe-riodic variations in the global lightning activity deduced from theSchumann resonance monitoring, *J. Geophys. Res.*, Vol 104, No 585–591.
42. Nickolaenko, A. P., Hayakawa, M. (2002). Natural ELF Pulses in the Time Domain: Series with Accelerated Convergence, *IEEJ Transactions on Fundamentals and Materials.*, Vol. 124, No 12, 1210–1215.

43. Objekti, <https://www.obekti.bg/misterii/neshcho-stranno-sesluchvasmagnitoto-pole-na-zemyata-i-nikoy-ne-znae-zashcho>, (1 November 2018).
44. Ogawa, T., Tanaka, Y. Fraser-Smith, A. C. Gendrin. R. (1967). Worldwide simultaneity of a Q-burst in the Schumann resonance frequency range, *J. Geomagn. Geoelectr.*, Vol. 19, No. 1, 377–384.
45. Ogawa, T., Tanaka, Y. Miura, T. Yasuhara, M. (1966). Observations of natural ELF electromagnetic noises by using the ball antennas, *J. Geomagn. Geoelectr.*, Vol. 18, No. 1, 443–454.
46. Petrevska, B. (2011). Tourism in the Global Development Strategy of Macedonia: Economic Perspectives, *UTMS Journal of Economics*, Vol. 2, No. 1, 101-108.
47. Polk, C. (1969). Relation of ELF noise and Schumann resonances to thunderstorm activity, *In: Planetary Electrodynamics, vol. 2, edited by S. C. Coronoti, and J. Hughes, pp. 55–83, Gordon and Breach, New York.*
48. Price, C. & A. Melnikov. (2004). Diurnal, seasonal and inter-annual variations in the Schumann resonance parameters, *J. Atmos. Sol. Terr. Phys.*, Vol. 66, No. 4, 1179–1185.
49. Rusov, V. D. (2012). *Can Resonant Oscillations of the Earth Ionosphere Influence the Human Brain Biorhythm*, Department of Theoretical and Experimental Nuclear Physics, Odessa National Polytechnic University, Ukraine.
50. Rycroft, M. J. (1965). Resonances of the Earth-ionosphere cavity observed at Cambridge, England, *J. Res. Natl. Bur. Stand.*, Sect. D, Vol. 69, No. 4, 1071–1081.
51. Sao, K., Yamashita, M. Tanahashi, S. (1971). Day to day variations of Schumann resonance frequency and occurrence of Pc1 in view of solar activity, *J. Geomagn. Geoelectr.*, Vol. 23, No. 2, 411–415.
52. Sao, K., M. Yamashita, S. Tanahashi, H. Jindoh, and K. Ohta, 1973: Experimental investigations of Schumann resonance frequencies. *J. Atmos. Terr. Phys.*, No 35, 2047-2053.

53. Sători, G. (1996). Monitoring Schumann resonances—II. Daily and seasonal frequency variations, *J. Atmos. Terr. Phys.*, Vol. 58, No. 5, 1483–1488.
54. Sători, G., Zieger, B. (1996). Spectral characteristics of Schumann resonances observed in Central Europe, *Journal of Geophysical Research Atmospheres.*, Vol. 1012, No 23, 29663-29670.
55. Sători, G., Zieger, B. (1999). El Niño related meridional oscillation of global lightning activity, *Geophys. Res. Lett.*, Vol. 26, No. 3, 1365–1368.
56. Sători, G., Williams, E. R. Zieger, B. Boldi, R. Heckman, S. Rothkin, K. (1999). Comparison of long-term Schumann resonance records in Europe and North America, *11th International Conference on Atmospheric Electricity, Global Hydrol. and Clim. Cent.*, Guntersville, Ala.
57. Schumann, W. O., König, H. L. (1954). Über die beobachtung von atmosphärischen bei geringsten frequenzen. *Naturwissenschaften*, Vol. 41, Issue 8, 183-184.
58. Schumann, W.O. (1952). Über die strahlungslosen Eigenschwingungen einer leitenden Kugel, die von einer Luftschicht und einer Ionosphärenhülle umgeben ist. *Naturwissenschaften*, Zeitschrift für Naturforschung A, Volume 7, Issue 2, 149-154.
59. Sentman, D. D., Fraser, B. J. (1991). Simultaneous observations of Schumann resonances in California and Australia: Evidence for intensity modulation by the local height of D region, *J. Geophys. Res.*, Vol. 96, No. 15, 973–984.
60. Serafimova, M. (2017). *Impact of the business environment on the conditions for starting business in Republic of Macedonia*. In: First international scientific conference "Challenges of tourism and business logistics in the 21st century, ISCTBL, 2017, 24-25 Oct 2017, Gevgelija, Macedonia. 313-319.
61. Serafimova, M., Petrevska, B. (2015). *Entrepreneurial advancement of women in tourism: the case of Macedonia*. In: Second international Scientific Conference: Social change in the Global World, 3-5 Sept 2015, Stip, Macedonia, 863-875.

62. Space Lovers Club, <https://subscribe.ru/group/klub-lyubitelej-kosmosa/12569993/>, (12 November 2018).
63. Williams, E. R. (1992). The Schumann resonance: A global tropical thermometer, *Science*, Vol. 256, Issue 5060, 1184–1187.
64. What is Shuman resonance and why it is important for your health?, <https://www.drskinhealth.com/blog/schumann-resonance>, (21 November 2018).

GLOBAL EARTH MAGNETIC FIELD AND RECREATIONAL ENVIRONMENT: ISSUES TO BE ADDRESSED

Vlatko Cingoski¹;

Abstract

Have you ever noticed that there are places where a person can feel relaxed, full of energy and revitalized? These places may be recreational locations (tourist resorts, wellness, and spa-centers) and tourist attractions (churches, monasteries, geo-parks, etc.). On the other hand, the therapeutic benefits of electromagnetic field radiation on human's body have already been medically proven. The objective of the paper is to introduce some new insights and raise a discussion if the existence of such magnetic fields may be a reason why people feel more relaxed and healthier when visiting or staying at such recreational environment. Thus, the authors argue the possible influence of the Earth's magnetic fields on the well-being of those who visit, sightsee or stay at tourist and leisure environment. Particular attention is raised within the optional utilization of the extra-low frequency as the Schumann resonance in recreational areas that are used for tourism and relaxing purposes.

Key Words: *global earth magnetic field, Schumann resonance, recreation, wellness, tourism industry, human health*

JEL classification: *Q26, I12, L83*

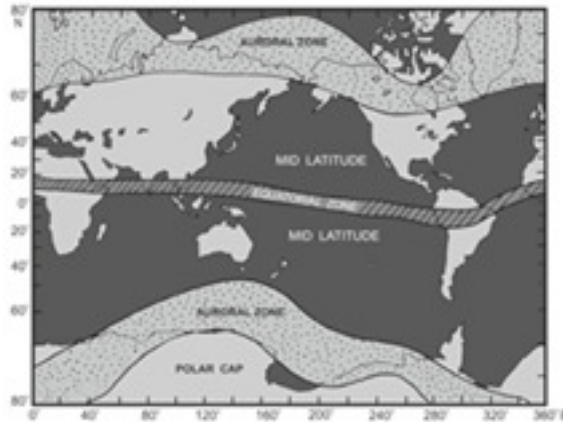
Introduction

Besides the gravity, the magnetism is one of the fundamental properties of the Earth and it is native and fundamental to our planet's existence. While the discovery of the gravity was somehow dramatic as described by the story of the Newton and its apple, the discovery of magnetism was not as dramatic. It was believed that the Chinese were the most likely the first to discover the magnetic compass, as early as 2500 years BC. Yet, the existing written historical accounts about magnetism and its usefulness starts from the year 1000 BC, in China again.

¹ Vlatko Cingoski, Dr, Professor, Faculty of Electrical Engineering, University "Goce Delčev", Štip, Macedonia, vlatko.cingoski@ugd.edu.mk

Around the 12th century AD, the knowledge of magnetism and its specifying property was transmitted from China to Europe, most likely through the east-west trade links. The historical voyages made by Christopher Columbus, Vasco de Gama, and Ferdinand Magellan, could not be even imagined without the magnetic compass. Christopher Columbus sailed across the Atlantic Ocean in 1492 searching for a '*short-cut*' to the Indies and following the magnetic compass, reached the coastline today known as the Caribbean islands. For the first time, someone noticed that magnetism is not just a pure direction pathfinder, but also strongly depends on the latitude and longitude at different locations on the Earth's surface.

Figure 1: *Earth's division based on the changes of the magnetic field*



Source: Basavaiah, (2011)

In 1600, William Gilbert was probably the first, who realized that the source of the Earth's magnetic field comes from within the Earth rather than outside. He found that magnetism is the result of some kind of permanent magnet within the Earth itself. Later, Carl Friedrich Gauss, with the usage of spherical harmonic decomposition of the magnetic field, found that the source of the surface Earth magnetic field phenomenon is internal indeed. However, the most significant breakthrough was done by Henry Gellibrand who excluded the permanent magnet as a source in 1634. This was followed by Edmond Halley who observed for the first time that some magnetic features were drifting westward, and concluded that the Earth's interior might be liquid. Thus, the history of Earth's magnetic field research might be subdivided into three main periods:

- Firstly, *a proto-scientific stage* (up to the 16th century), characterized with a gradual increase for the issue and development of casual hypotheses mostly based on observation and intuition;
- Secondly, *an early-modern stage* (16th to early 19th century), whereas the directional data (magnetic declination, inclination, and intensity) were increasingly measured, compiled, and mapped; and
- Thirdly, *a modern stage* (from the 1830s), with measurement of the full magnetic vector (direction and intensity) in dedicated scientific surveys, observatories, and lastly using space satellites.

Today, the most widely accepted theory is the Larmor's hypotheses from 1919 according to which the Earth's magnetic field is continually being created and destroyed by fluid motions in the Earth's interior. Since the electricity and magnetism are commonly generated by dynamos, it was named as the *geodynamo*. In fact, permanent magnetism also does occur, but only in the crustal magnetic field of the Earth, and its contribution to the global Earth' magnetic field is very weak and static compared to the main internally generated magnetic field (Cingoski & Yamashita, 1997). Generally, this crustal or lithospheric field is about 400 times smaller than the geodynamo magnetic contribution and ranges from 0 to ± 1000 [nT].

Recently, interest is paid to the *biomagnetism* as a special scientific field dealing with the influence of the global Earth's magnetic field on the humans and their entire life, in the first line on the physiological and nervous system. Hence, a large number of academicians argued that this influence could and should not be neglected. Some other, more specific studies focus on the so-called Schumann resonance magnetic field frequencies that exhibit some interesting and peculiar properties not only to the human's environment but also to the human's behavior and human's wellbeing. Moreover, these low frequencies of about $f_b = 7.83$ [Hz], and the multiplications, such as $2 \cdot f_b$, $3 \cdot f_b$, or $4 \cdot f_b$, etc., have a specific influence on the human's brain.

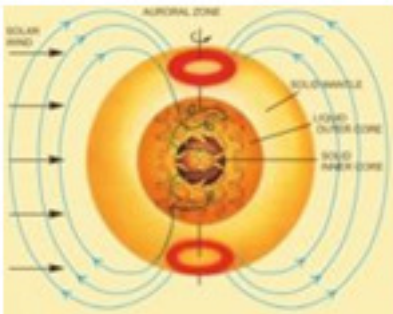
This paper posts some interesting issues that may be addressed in association with the Schumann resonance and its influence on humans. It has been observed that there are some locations where people feel more relaxed, the body is rejuvenated, the brain and heart electric activity is empowered, thus leading to improved human wellbeing. The objective of the paper is to introduce some new insight and raise a discussion if the existence of such magnetic fields as the Schumann resonance frequency

may be a reason why people feel more relaxed and healthier when visiting some recreational locations (like tourist resorts, wellness, spa and recreation centers) and tourist attractions (like churches, monasteries, geo-parks, etc.).

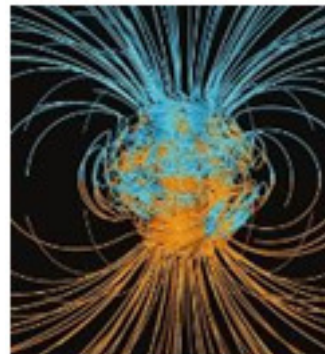
Global Earth magnetic field: Origin

The Earth is a very complex and multi-structured rocky type planet. Figure 2 shows the cross-section structure of the Earth in its interior and the structure of its surrounding atmosphere. Due to a geodynamo mechanism in the outer liquid and metallic Earth's core, the main part of the Earth's magnetic field is known as the main field or core field (Figure 2). Such flow is driven by buoyancy forces and influenced by the Earth's rotation and generates large electric currents that induce a magnetic field, compensating for the natural decay of the field over the space and time.

Figure 2: *Models of Earth's magnetic field, a) simplified dynamo model, b) Glatzmaier-Robert MHD geodynamo model*



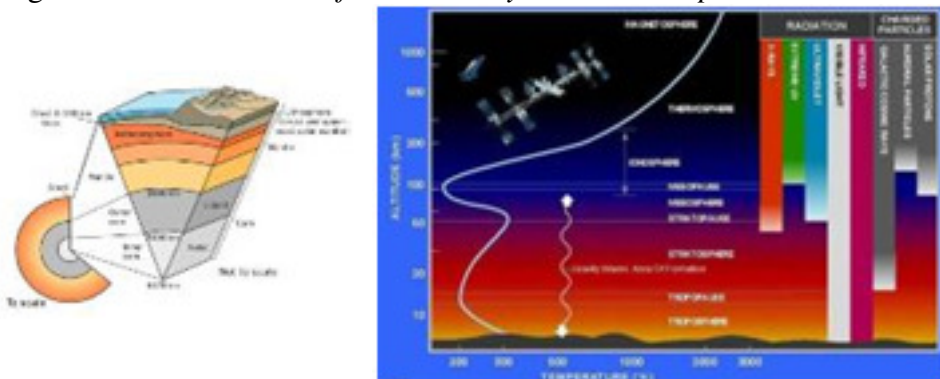
Source: Basavaiah, (2011)



Source: Buffett, (2008)

There are also external components of the magnetic field that could be measured at the Earth's surface (Noguchi & Cingoski, 2017). They increase going downwards from the higher Earth's atmosphere towards Earth's surface and do not originate from the Earth's dynamo effect, but from the Earth's ionosphere (Figure 3). Since solar magnetic activity changes in short periods (hours or days), these magnetic storms and substorms have much shorter timescale provoking strong impact on the temperature of the Earth's atmosphere, electric discharge and generation of thunderstorms and weather and climate changes. Furthermore, the impact is noted on the telecommunications, electricity grids and finally on human behavior and overall wellbeing.

Figure 3: *Cross-sections of Earth's body and its atmosphere*

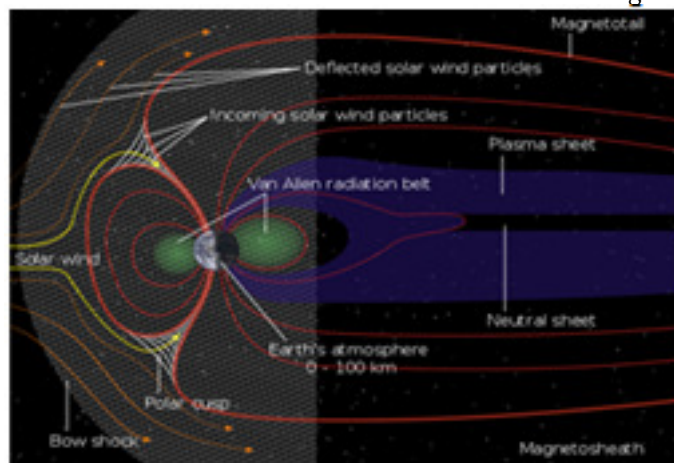


Source: www.usgs.gov

Source: www.theozonehole.com

The Earth's atmosphere could be divided into several distinguished zones: *troposphere* (<10 km), *stratosphere* (<50 km), *mesosphere* (<100 km), and *thermosphere*, or the other edge of Earth's atmosphere (<400 km) (Figure 3). Part of the thermosphere coincidence with the existence of two other outer layers of the Earth's atmosphere, the *ionosphere* (between 60 km and 200 km), and the *magnetosphere* (above 200 km up to 500 km), which mutually interfere due to the solar winds and magnetization. The effects of the solar wind differ in day and night side and vary on a range of timescales from minutes to hours and days.

Figure 4: *Relations between the solar wind and Earth's magnetosphere*



Source: www.wikiwand.com/en/Magnetosphere_particle_motion

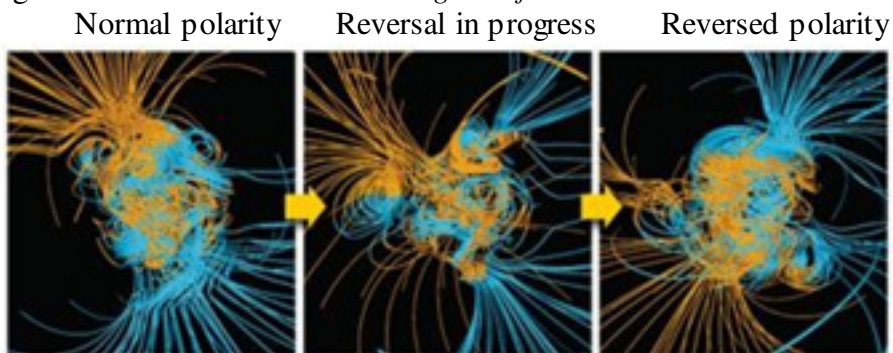
The layered structure of the Earth's atmosphere is crucial for the development and protection of life on Earth. While upper ionosphere and

magnetosphere protect the surface from intensive solar radiation, high velocity and high energy magnetic particles from the Sun, the much lower positioned ozone layer protects the Earth's life from extremely dangerous and hazardous UV radiation (Figure 4). Hence, with no magnetic field, life on Earth could not evolve and even exist. Yet, some parts of the plasma and radiation may penetrate the magnetic field barrier, leading to magnetic disturbances affecting the flora, fauna and humans.

Variations of the Earth's magnetic field: Overview

Evidence from the study of rock magnetism shows that the Earth's magnetic field is certainly not static, but varies dramatically over long periods of time. Variations of the magnetic field could be not only by the intensity but also due to changes in some field properties, such as declination and inclination. In general, these variations could be divided as long-term and/or short-term field variations. The long-term variations are among the most interesting with the theory of its reversal, as the most intriguing. By analyzing the magnetization of the sediments and rock, it was determined that the Earth throughout its 4 billion years geological history, had undergone many complete magnetic reversals when the north and south magnetic poles exchange their locations on the Earth (Figure 5). Scientists believe that almost every 800.000 years the magnetic field reversal occurs.

Figure 5: *Reversals the Earth's magnetic field*



Source: <http://www.astronomy.com/magazine/>

However, since humans have a significantly shorter life span than any long-term events on Earth, including a long-term variation of Earth's magnetic field, an accent is put on the short-term variations. Herein, the main role plays the magnetic observatories being around 180 scattered all

around the world (Figure 6). They carry out continuous and accurate monitoring of the strength and direction of the Earth's magnetic field over many years, revealing how the field is changing on a wide range of timescales from seconds to centuries. This is highly important for understanding processes both, inside and outside the Earth.

Figure 6: *Locations of the magnetic observatories around the world*



Source: *Gubbins & Herrero-Bervera (2007)*

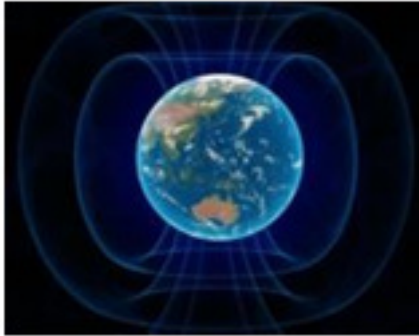
Biomagnetism

Im et al., (2017) note that 'Biomagnetism is an interdisciplinary field of research that aims to understand, modulate, image, or repair human organs and tissues with internal or external magnetic fields' (p. 183). Recently, biomagnetism became popular, particularly as a diagnostic tool and a therapeutical procedure for many diseases, like neuronal or cardiac diseases, trauma injuries, pain, and heart miss functions and problems.

Almost two millennia ago, Chinese, Egyptians and Ancient Greeks used magnets therapeutically to relieve pain and discomfort. Much later, the German physician Franz Anton Mesmer defined new approach whereas the health was observed as a free flow of the process of life spreading through thousands of channels in the body, thus the body illness was caused by obstacles to this flow. This approach closely matches the Oriental systems description of illness as obstructed way of the flow of natural human energy called '*Qi*' or '*Chi*' or '*Prana*', through specific points on the human's body called '*chakras*' and '*meridians*'. By mere

analogy, the electromagnetic pattern of the Earth and the human body are rather identical (Figure 7).

Figure 7: *Analogy of Earth and human body magnetic fields*



Source: www.wisegeek.com

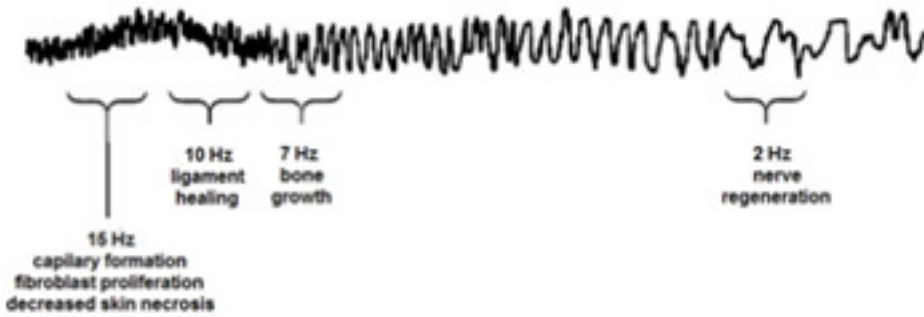


Source: www.humanfrequencies.com

While the major source for Earth's magnetic field is the electric currents deep in the molten outer core of the Earth, the source of electromagnetic fields in the human body could be traced in the rhythmic heart activities. The heart is by far the largest electric generator in the body. It continuously pumps and creates a magnetic field around itself which goes way beyond the skin. It creates various signals, like electric, sound, pressure, heat, light, magnetic and electromagnetic. Since the blood is an excellent electricity conductor, the circulatory system pulses with electricity each time the heart beats. This resulted with the invention of the first *electrocardiogram* (EKG), a device that records the electric activity of the heart (Human frequency blog (a)) in 1903. Two decades later, in 1924 the first *electroencephalogram* (EEG) was invented for measuring magnetic impulses from the human brain. This proved that the human body is heavily influenced not only by the external but also by the internal magnetic field generated within the body, called biofield.

The frequencies of biofields, particularly the so-called extreme low frequencies (ELF) provoked large attention in the late 20th and beginning of the 21st century. The frequencies of the pulsations range from 0.3-30 [Hz], but those from 7-8 [Hz] are found to have positive therapeutical effects on humans. Figure 8 presents that frequencies between 2 and 15 [Hz], whereas can be clearly seen that they end up at the range between 7 and 8 [Hz] pointing to an optimal best frequency.

Figure 8: *Low-frequency magnetic fields influence on the human body*



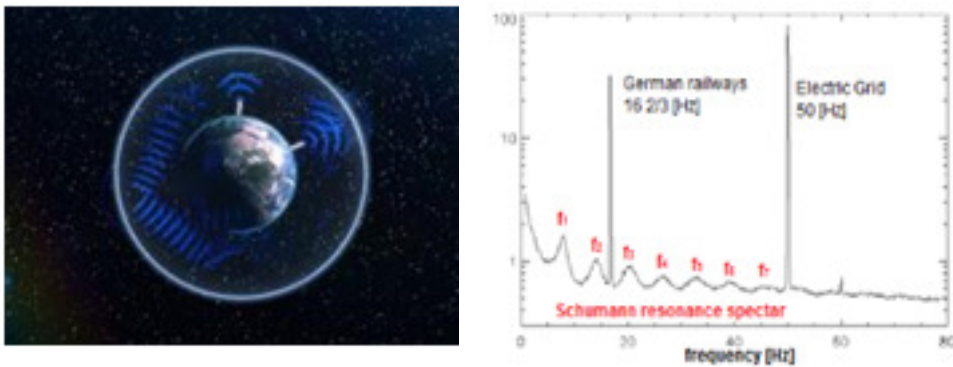
Source: *Human frequency blog (b)* – According to Dr. John Zimmerman

The Schuman resonance: Basics and influence

Although initially proposed by Nikola Tesla in his patent from 1995 (Tesla, 1905), in 1952, Winfried Otto Schumann published his first paper about electromagnetic waves in the waveguide which is formed by the Earth's surface and the ionosphere (Schlegel & Füllekrug, 2007). Some of the waves – if they have just the right wavelength – combine, increasing in strength and creates a repeating "*atmospheric heartbeat*" known as the *Schumann resonance*. The fundamental Schumann resonance is at approximately 7.83 [Hz], which is an extremely low frequency at which the wavelength equals the circumference of the Earth, and higher harmonics occur at 14.1, 20.3, 26.4, and 32.4 [Hz], etc., respectively, as shown in Figure 9.

There are two major sources for the existence of the Schumann resonance waves. First, being lightning strikes that occur higher in the Earth's atmosphere, and the second, being an interaction between the solar wind and the magnetosphere. Due to their extremely long wavelength, these waves can diffract around large obstacles and are not blocked by mountain ranges or the horizon. That means that they can practically travel around the curve of the whole Earth, thus they can be actually measured and '*felt*' globally.

Figure 9: *Schumann resonance in the cavity between the Earth's surface and ionosphere (left), and Schumann's originally measured values for the first several frequencies of the resonance spectrum (right)*



Source: *Schlegel & Füllekrug, 2007*

Today, the influence of the Schumann resonance is vastly explored among the academicians. It is used as a tool for monitoring the global warming (Sekiguchi et al., 2006), the electric environment, and assists in determining the types of atoms and molecules in the Earth's atmosphere. Many studies argue the influence on the brain activities since the dominant frequency of the human brain of 10.5 [Hz] is very similar to the frequency of the Earth's core. Hence, a relationship occurs due to the resonant interaction with the neurons and the possible alteration of the melatonin–serotonin ratio in the human brain.

In this line, Babayev and Allahverdiyeva (2005) found that the influence on the human brain activity could be additionally enhanced in cases of geomagnetic storms that occur rather often in the Earth's atmosphere. According to Persinger and Saroka (2015), there is a remarkable congruence between the essential dynamic physical properties of the human cerebrum, and the electromagnetic signals in accordance with the Schumann resonance. Thus, they concluded that the consistency and congruence of the fundamental, harmonics, magnetic field intensities, electric field potentials, and phase shifts between the Schumann resonance and quantitative human cerebral cortical activity indicate the potential for information interaction. In other words, the human brain actively '*communicates*' with these basic electromagnetic waves existing within earth-ionosphere spherical waveguides.

Thus, during the long evolution phase, the human brain adjusted its normal activity to the most intrinsic Earth-based frequencies (*the*

Schumann resonance and the Earth's core frequencies), and actively interacts with them. In case of their obstruction or limitations, problems might occur with the normal human's brain activity leading to neurological disorders and decesses, such as disruption of melatonin synthesis, decrease in self-confidence and working ability, especially during the autumn and spring periods, depression and especially, manic-depressive illness, enhanced anxiety and sleep disturbances (Ward & Henshaw, 2016), Alzheimer's, Parkinson's, or Huntington's deceases (Gubbins & Herrero-Bervera, 2007), and even increased number of suicides (Ward & Henshaw, 2016; Brahic, 2008).

Besides on brain, the geomagnetic field is related to the normal human heart activities, heart rate, and blood pressure. The impacts could be either indirectly through the brain and nervous system disturbances that influence the normal heart operation, or directly on the heart and its parameters, such as systolic and diastolic blood pressure, mean arterial pressure, etc.

According to Mitsutake et al., (2005), the overall influence of the Schumann resonance frequency is very positive. They found that during days with increased Schumann resonance conditions, the heart rate, blood pressure, and overall heart conditions were improved and more favorable compared to the days with normal or suppressed Schumann resonance conditions, suggesting that Schumann resonance frequencies could have a positive effect on the heart bitrates and mean arterial pressure, regardless of age and gender.

Similar findings are noted in other related research studies (Ward & Henshaw, 2016; HeartMath Institute, 2019). During quieter magnetic periods Schumann resonance power appears to play an important role in synchronizing people's slow wave heart rhythms, thus calming the patients overall. On the other side, while the Schumann resonance frequencies act positively on the human heart and its rhythm, geomagnetic storms have a rather opposite and negative effect on the human heart (Ward & Henshaw, 2016). For example, the arterial blood pressure was found to increase significantly with the increase of the geomagnetic activity level. The systolic and diastolic blood pressure was found to increase significantly during the period from the day before till the second day after the geomagnetic storm occurs, thus have prolonged action. Also, increased geomagnetic activities have a negative effect on

the heart ischemic, most likely leading to potential ischemic heart disease and heart failure in the worst cases.

The Schumann resonance: Tourism and recreational aspects

The variety of positive effects of the low-frequency magnetic fields (Schumann resonance) on the entire living, with a particular focus on human health and wellbeing, has been previously emphasized. This section briefly discusses the possibility to identify and promote locations where people visit to seek leisure, wellness or health (Morita et al., 2006) and feel more relaxed, with a rejuvenated body and empowered brain and heart activity, which lead to general improvement of their wellbeing.

The recreational environment may include numerous places that besides '*basic tourist product*' in terms of a tourist attraction, wellness service, geo-sightseeing, etc., may offer ultimate satisfaction in an ambient with positive and harmonious energy vibrations. Such tourist and recreational areas that are affected by the low-frequency electromagnetic fields, stream with high positive signals on human behavior and health conditions of tourists, visitors, and excursionists. Additionally, they may indicate local environmental quality, increase health tourism attractiveness and promote wellbeing and support therapies. Thus, tourism along with the wellness industry often relies on to the health-promoting atmospheres which may be related to many other medical practices, therapies interventions, holistic approaches, leisure pursuance, and health, leading to wellness tourism destinations development (Gutenbrunner et al., 2010; Morita et al., 2006).

The worldwide wellness industry accounts more than US\$ 3.7 trillion, representing approximately 5% of the global economy, and involves numerous sectors, like: health and wellness tourism, well-being lifestyle real state, complementary alternative medicine, spa centers, anti-aging, beauty, healthy mind-body, as well as the thermal and mineral springs healing properties (GWI, 2016). On the other hand, recreational environments are often based on their local resources in terms of factors with potential bioactivities, like natural therapeutic, healing and remedy elements that represent tourism attractions (landscape, climate, air, gas, water, salt, mud, sand, etc.) In this respect, such factors form an initial point for additional development of spa resorts, health resorts, sanatoriums, wellness places and similar recreational environment (ESPA, 2006; Illing, 2014; Munteanu et al., 2013; Rocha et al., 2014).

The presence of the Schumann resonance at such locations provoke positive physiological actions to the health and wellbeing through nature experiences, in the line of additional involving of the five human senses exposures (sight, smell, hearing, taste, and touch) (Lazzerini et al., 2018). Hence, as of early 1900s, many recreational environments detected their biological benefits and therapeutic potential (Krueger & Sobel, 1979; Kinne, 1997; Radovanovic & Dzhambasevic, 1987; Yates et al., 1987) and applied health resort programs and concepts (Enache et al., 2005; Linning, 2007; Roubal et al., 2017; Teodoru & Bunescu, 2009).

Traditionally, numerous beneficial health effects have been attributed to the power of biomagnetism in various regions of the world and today, biomagnetic therapy is one of the most promising therapeutic healing techniques. Yet, although the medicine widely applies techniques to monitor magnetic fields, such as ECG, EEG, and MRI, magnetic therapy is still behind (Null, 1998). Slowly, the awareness of the natural healing option rose, so it is often a case that recreational facilities offer to sleep in magnetic beds and souvenir shops sell small magnetic objects for energy, preventive purposes, and healing. Some destinations even base their wellness tourism development strategy on the therapeutic benefits of nature, like the unique magnet concentration in the sand of the Black Sea resort Ureki (Erkomaishvili et al., 2014). Other, use magnetism for tourism promotional purposes, like the Magnetic Island (an island in the Coral Sea in the Cleveland Bay in Queensland, Australia), being named upon the 'magnetic' effect that occurs to Captain Cook's compass when he sailed up to the east coast of Australia in 1770.

Besides the traditional recreational packages, the new approach may include prompt hope to the natural, historic and cultural heritage preservation, along with the health-inducing: life quality, welfare (mood, performance, relaxes, detoxic), medicine indications (metabolism, respiratory and circulatory systems), elderly care and chronic diseases treatments.

Conclusion and Future work

The paper offers a brief recapitulation of the global Earth magnetic field, especially the so-called Schumann resonance and its effects on humans and their health. Although being first mentioned in the middle of the last century, many issues related to the Schumann resonance have not been deeply investigated. Some exceptions are noted in the findings related to

the major influence on the Earth's weather, the global temperature and the climate change indicator. This study also briefly informs about the scholars who argue the influence of the Schumann resonance on the brain and heart activity, heart rate and blood pressure.

The increased industrialization and the development of hugely populated areas pollute and strongly suppress the naturally existing electromagnetic fields with extremely low frequencies. Consequently, there is an increase in the number of people suffering from various neurological disorders, starting from the mild ones, like depressions, apathy, losing the working ability, spreading over the more aggravating ones, like Alzheimer's and Parkinson's neurological deceases. On the other side, the economic and social development derived other phenomena like aging and high health care costs, thus provoking the health to be one of the driving forces for tourism development. Traveling for the sake of health, recreational activities associated with health constantly initiates new market demand urging tourism market to create new products and services labeled with health and wellbeing.

Hence, the focus of this paper is on the possible influence of such permanent Earth's magnetic fields on the health and well-being of those who visit, sightsee or stay at some recreational, tourist and leisure environment. Particular attention is raised within the optional utilization of the low-frequency electromagnetic fields in recreational areas that are used for tourism and relaxing purposes. The study adds to the current literature that already argues that the Schumann resonance fields have a high influence on human behavior, well-being, and health conditions. Thus, exposing people to such electromagnetic fields could improve their health, along with society in general.

In some future work, this study may be improved by discussing results from various measurements of the Schumann resonance fields at carefully selected sites, such as recreational resorts, spa and wellness centers, tourist complexes, well-visited attractions, cultural heritage and religious spots, like churches and monasteries, etc. So, the future work may address specific measurements of the low frequency in selected places where visitors *'feel'* relaxed and rejuvenated. Then, to compare gathered data with other populated and ordinary places where people live and work in the line of identifying the reasons why some places suite better for relaxation than others. Hence, future work may be expanded by measuring the intensity and duration of the Schumann resonance

frequencies in those areas that are responsible for beneficial influence on the people's health and well-being. Progress on Schumann resonance knowledge related to recreational and environmental health, wellness and sustainable tourism applications are further expected for tourism destinations.

References

1. Astronomy, <http://www.astronomy.com/magazine>, (16 February 2019).
2. Babayev, S. E., Allahverdiyeva, A. A. (2005). Geomagnetic Storms and their Influence on the Human Brain Functional State. *Revista CENIC Ciencias Biológicas*, Vol. 36.
3. Basavaiah, N. (2011). *GEOMAGNETISM: Solid Earth and Upper Atmosphere Perspectives*, Capital Publishing Company, New Delhi.
4. Brahic, C. (2008). Does the Earth's magnetic field cause suicides? *NewScientist*, <https://www.newscientist.com/article/dn13769-does-the-earths-magnetic-field-cause-suicides/>
5. Buffett, B. A. (2008), Earth's Core and the Geodynamo, *SCIENCE*, No. 288, June 16th, *American Association for the Advancement of Science*.
6. Cingoski, V., Yamashita, H. (1997). Modeling of permanent magnets in three-dimensional space using edge finite elements, *Journal of Applied Physics*, Vol. 81, No. 8, 4088-4090.
7. Enache, L., Filipescu, C. D., Simionca, I., Botea, S., Hoteteu, M., Kiss, J., Petec, C. G., Rogojan, R. (2005). Natural and artificial air ionization in underground spaces - an environmental factor with therapeutic potential. *Hellenic Speleological Society*, Vol. 151, 426-429.
8. ESPA (European SPAs Association). (2006). *Quality Criteria of the European Spas Association*, Oberstaufen, Germany.
9. Erkomaishvili, G., Gvelesiani, R., Kharaishvili, E., Chavleishvili, M. (2014). Policy of tourism and opportunities of development of wellness industry in Georgia, *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering*, Vol. 8, No. 1, 171-175.

10. Gubbins, D., Herrero-Bervera, E. (2007). *Encyclopedia of Geomagnetism and Paleomagnetism*, Springer, Netherlands.
11. Gutenbrunner, C., Bender, T., Cantista, P., Karagulle, Z. (2010). A proposal for a worldwide definition of health resort medicine, balneology, medical hydrology and climatology. *International Journal of Biometeorology*, Vol. 54, No. 5, 495-507.
12. GWI (Global Wellness Institute). (2016). *The Future of Wellness at Work*. New York, N.Y.
13. HeartMath Institute, (2019). Effects of Geomagnetic, Solar and Other Factors on Humans, <https://www.heartmath.org/articles-of-the-heart/effects-geomagnetic-solar-factors-humans/>, (16 February 2019).
14. Human frequency blog (a). *The electromagnetic human Field - Human Frequencies*, <https://www.humanfrequencies.com/> (28 January 2017).
15. Human frequency blog (b). *Reiki Frequencies and Schumann Resonances*, <https://www.humanfrequencies.com/> (28 January 2017).
16. Illing, K. T. (2014). Health and well-being in a tourism destination. Erasmus/LLP funded project, WelDest Research Report.
17. Im, C. H., Jun, S. C., Sekihara, K. (2017). Recent advances in biomagnetism and its applications, *Springer, Biomed. Eng. Lett.*, No. 7, 183-184.
18. Kinne, S. M. (1997). A public health approach to evaluating the significance of air ions. University of Texas health science center at Houston school of public health, USA, Report 97-045.
19. Krueger, A. P., Sobel, D. S. (1979). Air ions and health, *Holistic Approaches to*.
20. Lazzerini, F.T., Orlando, M.T., De Prá, W. (2018). Progress of negative air ions in health tourism environments applications. *Boletín de la Sociedad Española de Hidrología Médica*, Vol. 33, No. 1, 27-46.

21. Linning, T. (2007). Survey and application of natural convalescent factors in Guangzhou Sanitariums. *Chinese Journal of Convalescent Medicine*, Vol. 01, 196-197.
22. Magnetosphere particle motion, http://www.wikiwand.com/en/Magnetosphere_particle_motion
23. Mitsutake, G., Otsuka, K., Hayakawa, M., Sekiguchi, M., Cornélissen, G., Halberg, F. (2005). Does Schumann resonance affect our blood pressure?, *Biomedicine & Pharmacotherapy*, Vol. 59, S10-S14.
24. Morita, E., Weigl, M., Schuh, A., Stucki, G. (2006). Identification of relevant ICF categories for indication, intervention planning and evaluation of health resort programs: a Delphi exercise. *International Journal of Biometeorology*, Vol. 50, No. 3, 183-219.
25. Munteanu, C., Cinteza, D., Lazarescu, H. (2013). Balneary Resort – Importance of natural therapeutic factors research. *International Journal for Responsible Tourism: Perspectives on Health Tourism*, Vol. 2, No. 1, 7-23.
26. Noguchi, S., Cingoski, V. (2017). Simulation of Screening Current Reduction Effect in REBCO Coils by External AC Magnetic Field, *IEEE Transactions on Applied Superconductivity*, Vol. 27, No. 4, paper No. 4701405.
27. Null, G. (1998). *Healing with magnets*, Hachette Books.
28. Persinger, A. M., Saroka, S. K. (2015). Human Quantitative Electroencephalographic and Schumann Resonance Exhibit Real-Time Coherence of Spectral Power Densities: Implications for Interactive Information Processing, *Journal of Signal and Information Processing*, Vol. 6, 153-164.
29. Radovanovic, R. G., Dzhambasevic, M. (1987). Ionic state of the air in radionic resorts. Proceedings of the fourteenth Yugoslav symposium on radiation protection, Vol. 19, No. 21, 154-157.
30. Roubal, Z., Bartusek, K., Szabó, Z., Drexler, P., Überhuberová, J. (2017). Measuring light air ions in a speleotherapeutic cave. *Measurement science review*, Vol. 17, No. 1, 27-36.

31. Rocha, F., Da Silva, E. F. (2014). Geotourism, Medical Geology and local development: Cape Verde case study. *Journal of African Earth Sciences*, Vol. 99, 735-742.
32. Schlegel, K., Füllekrug, M. (2007). 50 Years of Schumann Resonance, (originally published in *Physik in unserer Zeit*, Vol. 33, No. 6, 256-261, 2002. Translation in English: Catarina Geoghan, 2007).
33. Sekiguchi, M., Hayakawa, M., Nickolaenko, A. P., & Hobara, Y. (2006). Evidence on a link between the intensity of Schumann resonance and global surface temperature. *Annales Geophysicae*, Vol. 24, No. 7, 1809-1817.
34. Teodoru, E., Bunescu, I. (2009). The balneary and climatic potential of Oglinzi resort. *Present environment and sustainable development*, Vol. 3, 107-112.
35. Tesla, N. (1905). Art of Transmitting Electrical Energy through the Natural Mediums, U.S. Patent 787412.
36. The Ozone Hole, www.theozonehole.com (16 February 2019).
37. US Geological Survey, www.usgs.gov (16 February 2019).
38. Ward, P. J., Henshaw, L. D. (2016). Geomagnetic Fields, their Fluctuations and Health Effects, unpublished, <https://www.researchgate.net/publication/242259262>.
39. Wisegeek, <https://www.wisegeek.com>, (16 February 2019).
40. Yates, A., Gray, F., Beutler, L., Sherman, D., Segerstrom, E. (1987). Effect of negative air ionization on hyperactive and autistic children. *American Journal of Physical Medicine*, Vol. 66, No. 5, 264-286.

THE PROCEDURE OF THE PERFORMANCE AUDIT OF HEALTH TOURISM FINANCING BY VOUCHERS IN THE REPUBLIC OF SERBIA

Jelica Eremić-Dođić¹; Aleksandra Tomić²;

Abstract

The aim of the paper is to develop the audit procedure for financing health tourism in the function of the performance audits in order to determine the status that would support the development of tourism in the Republic of Serbia. The first step in the process is to identify the requirements and to establish the key control points. Based on the request, the impact of this grant on the development of health tourism will be determined. On the basis of the obtained audit findings, the results will be compared to each other in order to build the appropriate basis which will be the starting point for development of the audit procedure. Audit findings are used to measure the model that evaluates the efficiency of spending the funds received in vouchers in financing tourism, assess the efficiency of cooperation of tourist communities with health institutions and contributions to the development of the RS.

Key Words: *performance audit, tourism, health tourism, vouchers*

JEL classification: *M42, Z30*

Introduction

During his entire existence, a man moved and travelled. The reasons for this are different and are intertwined every day. Therefore, the claim that tourism started with the first travellings and migrations is completely justified. The root or etymology, of the word tourism according to the dictionaries, comes from an English word tour used in describing a circle.

¹ Jelica Eremić-Dođić, EPS Distribucija doo Beograd/ Assistant Professor, Educons University, Faculty of Business Economics, 064/837-2738, e-mail: jelicaerdjo01@gmail.com

² Aleksandra Tomić, Associate Professor, Faculty of Management, Sremski Karlovci/National Assembly of the Republic of Serbia, 062/296-300, e-mail: aleksandra.tomic.bgd@gmail.com

It involves a circular itinerary in that tourists return to their point of origin, home (Marković, 2019).

The Republic of Serbia, as well as many other countries in the world, invests in tourism. Although tourism is still in progress, there are exact suggestions and actions in that direction.

In accordance to the second task defined in the Tourism Strategy RS for period 2016-2025. (p. 44), monitoring, implementation of the law, regulations and norms of acceptable conducting and performing activities (inspections), the objective of this research is to make a suggestion procedure for the performance audits of health tourism by the Serbian government (RS).

The concept of tourism is diverse. For some, it only represents vacation, travel, recreation, and even leisure time with no money. For others who are employed in the Tourism Sector, it represents a profession, intensive work and ability to earn money, and get a career.

One thing is certain: more of them emphasize the contribution of tourism to health, education, culture, as well as the contribution to peace; increasing labor productivity, developing rural areas and a lot of other benefits are also tourism contribution.

Health tourism in the Republic of Serbia (RS)

It is very difficult to measure how much the development of tourism influences the economy. The reasons for this are multiple:

- tourism cannot be considered as a single activity, but as a set of different activities whose demand is not reflected only in tourist demand;
- some tourist products are partly unnecessary and therefore difficult to measure either by physical or financial indicators. The impact of tourism can be shown by increasing employment (especially when it is a tourist season), using the value that indicates domestic currency, trade, etc.

There are various types of tourism, and its "specific forms are: health tourism, cultural, hunting and fishing, ecotourism, congress, religious tourism, manifestation tourism, tourism with a topic of gastronomy, tourism with the theme of wine roads ("Types of tourism", 2019).

When looking at health tourism, we must first of all carefully consider the needs of both domestic and foreign population when planning their vacation, recreation, treatment or rehabilitation. When it comes to our country, it is necessary, along with this analysis, to look how rich are mountain areas, hot springs, vegetation and other resources that greatly influence both the development of health tourism and tourism in general.

According to this, the Republic of Serbia has been trying for several years so far to introduce the measures that would attract tourists and contribute to the overall development of tourism. The aim of this work is to see, through the performance audit, how well these measures are successful. The further step is an attempt to assess how the measures taken improve the development of health tourism in its overall development. A health tourism product consists of two components: health and wellness. The health tourism offer is based on the treatment and therapy of visitors with health problems in order to improve their health... On the other hand, wellness tourism refers to the provision of services to healthy people who, through certain treatments, keep their good health and improve the quality of their life (Popović et al., 2013).

Respecting the criteria for obtaining and realizing the vouchers in the form of an anonymous questionnaire, a Questionnaire was formed which should provide necessary information in order to find a procedure for the performance audit of health tourism financing through the voucher in RS. Based on the answers obtained by completing the Questionnaire and the established audit procedure, a conclusion will be made on the assessment of the efficiency of promotion and improvement of tourism as well as the assessment of the efficiency of cooperation with health institutions in the function of the performance audit.

Anonymous Survey - Questionnaire

General issues

Executive Level Department	- hotels - tourist agencies - special hospital
Management of the Institution (Director, Assistant Directors, Head Nurse of the Institution, Technical Secretary)	- managers, - heads of marketing services in travel agencies

	- hotel owners, - owners of the apartment
Department for Legal, Personnel and Administrative Affairs -Operational level	- receptionist
Department of Economic, Financial and Accounting Affairs	- heads of the Economic and Financial Service,
Sale department (for tourist arrangements)	- marketing services, - sales service.
other:	- physicians

2.What is the area of your professional engagement?

Physicians, managers, financiers, marketing, sales department, accounting stuff, owners

What is the total number of employees in your institution?(10-200).

Please tick the correct answer.

Do you think that the amount of grants for national tourism by vouchers is satisfactory?

Unsatisfactory	Poor	Medium	Satisfactory	More than enough

Do you agree that the vouchers can only be used for accommodation services or would you allow it to be used for some other purpose?

Unsatisfactory	Poor	Medium	Satisfactory	More than enough

Please specify which other purpose: **for all types tourist services.**

Questionnaire

The importance of general characteristics		1	2	3	4	5
1.	How much the subsidized vouchers in domestic tourism helped you to boost sales of your hotel facilities? (Rate from 1 to 5; 1 - unsatisfactory, 2 - poor, 3 – medium, 4 – satisfactory, 5 - more than enough)			x		
2.	How much is the sale of your hotel services sold for health tourism using vouchers in relation to the total sales of services?	x				

3.	How much is the sale of your hotel services sold for health tourism using vouchers in relation to the total sales of services comparing to the previous year?			x	
4.	What is the percentage of pensioners who use the vouchers to pay for hotel services ?			x	
5.	What is the percentage of unemployed people in your hotel that use vouchers when paying for hotel services?			x	
6.	Are there a lot of tourists who use vouchers to pay hotel arrangements, who are users of the right to financial compensation for the help and care by another person in accordance to the law on social protection?		x		
7.	Are there a lot of tourists who use vouchers to pay hotel arrangements, who are users of the right to financial compensation for the help and care by another person in accordance to the law on pension and disability insurance?		x		
8.	What is the percentage of sale arrangements by employed persons with incomes, which do not exceed the amount of 60,000 dinars per month?			x	
9.	What is the percentage of sale arrangements by war disabled persons and civil disabled persons of war with incomes, which do not exceed the amount of 60,000 dinars per month?		x		
10.	What is the percentage of the sale arrangements by users of the right to a financial compensation for family pension of war victims?		x		
11.	What is the percentage of the sale arrangements by householders who have declared themselves exclusively engaged in agriculture, who are registered in the Register of Agricultural Holdings in accordance with the Law on Agriculture and Rural Development ("Official Gazette of the Republic of Serbia" No. 41/09 and 10/13 - 101/16)?		x		
12.	How much the number of nights has increased by pensioners who use the vouchers to pay for hotel services comparing to the previous year?			x	
13.	How much the number of nights has increased by unemployed people in your hotel that use vouchers when paying for hotel services comparing to the previous year?			x	
14.	How much the number of nights has increased by users of the right to financial compensation for the help and care by another person in accordance to the law on social protection,			x	

	comparing to the previous year?				
15.	How much the number of nights has increased by users of the right to financial compensation for the help and care by another person in accordance to the law on pension and disability insurance, comparing to the previous year?		x		
16.	How much the number of nights has increased by employed persons with incomes, which do not exceed the amount of 60,000 dinars per month; comparing to the previous year?			x	
17.	How much the number of nights has increased by war disabled persons and civil disabled persons of war with incomes, which do not exceed the amount of 60,000 dinars per month; comparing to the previous year?			x	
18.	How much the number of nights has increased by users of the right to a financial compensation for family pension of war victims comparing to the previous year?			x	
19.	How much the number of nights has increased for householders who have declared themselves exclusively engaged in agriculture, who are registered in the Register of Agricultural Holdings in accordance with the Law on Agriculture and Rural Development ("Official Gazette of the Republic of Serbia" No. 41/09 and 10/13 - 101/16)?			x	
20.	How many tourist voucher users have used spas and health services (examinations, treatment, diagnostics).			x	
21.	How many weekend arrangements of wellness services in spas has been sold since the beginning of voucher sale.				x
22.	How many agencies have wellness and spas in their offer.				x
23.	Assess precisely sorted voucher by users: how many pensioners, disabled people, etc. by all categories in relation to those entitled to a subsidy?		x		

24. Did the voucher users come alone or accompanied by a spouse or other person who does not have the right for stimulus?

Most of them come accompanied by a spouse or other person.

25. Has the number of voucher users who did not come alone increased comparing to last year? Yes.

26. Have the vouchers users already been on holiday in Serbia or they are here for the first time? Most of them came for the first time.

27. What was the average number of nights for voucher users?

The average number of nights for voucher users was 5-6 nights.

28. Do foreign tourists take some benefits?

No, they do not. There is only 1% of foreign tourists, mainly on medical rehabilitation or private arrangement.

29. Do you submit to the Ministry of Tourism any of the forms related to the subsidy through the voucher?

Invoice, the bill, voucher; (the founder will submit to the Ministry of Tourism.)

30. Is your work supported by a computer and appropriate software support?

Yes, but not much.

31. Do you have written process procedures?

No.

32. Do you comply to them in your work?

Only the legal regulations.

33. Do you have a record of how many tourists who used vouchers with you have realized vouchers in another institution?

Of the total number of registered vouchers, one third was used by us, and two thirds were realized in other institutions.

34. Do you have a record of how many tourists have used vouchers in your resorts and also health tourism services at the same time?

Out of out total number of surveyed institutions, one quarter is keeping records on health tourism.

The procedure of the performance audit of health tourism financing by vouchers in the Republic of Serbia

There are many types of control in theory and practice. What is supposed to be a common feature of each is their performance. The performance audit is a systematic, substantive, organizational and targeted reasearching of the activities of the Government or other budget users in order to assess whether entities in the implementation of programs or procedures, individual activities or functions work on economic principles

(Vidovič & Milunović, 2017). In order to implement the procedure of the performance audit, it is necessary to take the following steps:

1. Analyze the current state of the business activities related to the realization of the voucher, which is in accordance with the Tourism Development Strategy of the Republic of Serbia for the period 2016-2025;
2. Consider all necessary legal regulations;
3. Establish the written procedures in the catering facilities and tourist organizations which are on the list, where tourists can use vouchers for the accommodation service;
4. if there are written procedures of business activities in catering facilities, check whether they are applied;
5. evaluate their internal control;
6. review the design, effectiveness and efficiency of internal controls in order to determine their financial performance;
7. Identify risk control points;
8. Test the control points
9. Issue a proposal for internal control.

Management in the organization provides support to the environment by prescribing certain acts, procedures and guidelines (Eremić-Đodić et al., 2018b) for every business process.

In order to realize the internal control system of any client, it is necessary to analyze well all the policies and procedures that exist in this organization, or the catering facility / tourist organization.

What is the internal control actually? We find different definitions in literature. IFAC has given its own definition in which it says that internal control is a process that is designed, implemented and maintained by managers, management and other staff with the ability to provide reasonable assurance in achieving the objectives of the entity in relation to the reliability of financial reporting, the effectiveness and efficiency of the activities, and compliance with relevant laws and regulations (International Federation of Accountants, 2009).

What is an important thing for internal audit is certainly a controlling environment. It's the starting point. The established control procedures also represent an area which is extremely important for regular work of internal audit. The application for posting, i.e. the established accounting system is indispensably important, as well as the established monitoring.

Before the auditor designs his tests it is necessary to consider whether he can rely on the client's internal control or not. The extent of the tests depends on this. If it can not rely on the client's internal control, the auditor designs the tests assuming maximum level of control risk. In order to document the client's internal control, the auditor rely on discussions with the appropriate client's stuff, reviewing accounting documents and procedural manuals (Andrić et al., 2012).

Control points for the procedure of the performance audit of health tourism financing by vouchers in the Republic of Serbia:

Checkpoints for organizations receiving vouchers (before obtaining a voucher from the Ministry of Trade, Tourism and Telecommunications):

1. Is the institution for which it is applied on the list of catering facilities in which a reservation can be made for the purpose of realization of the voucher for the accommodation service?
2. Does the Certificate issued by the hotel for obtaining a voucher at the Ministry of Trade, Tourism and Telecommunications has a validity period until November 20, 2019?
3. If the certificate is issued by the hotel does it contain all the necessary data to be applied from the Ministry of Trade, Tourism and Telecommunications for the purpose of obtaining a voucher- name and surname, ID, the name of the facility and the correct address, business identification number of the hotel that issues the bill and in what period will it be used?
4. If the certificate is issued by a travel agency, does it contain all the necessary information in order to be applied to the Ministry of Trade, Tourism and Telecommunications for the purpose of obtaining a voucher?
5. Review of issued certificates by the organization for the purpose of obtaining a voucher containing the following information: name and surname of the person to whom the certificate was issued, name of the facility and during what period will the facility be used?

B. Checkpoints for organizations receiving vouchers (after obtaining a voucher from the Ministry of Trade, Tourism and Telecommunications):

1. Review the realized vouchers in the hotel on a monthly basis with the following data: name and surname, ID, name of the hotel, the correct address and during what period the voucher has been used?
2. At the monthly level, the documentation related to payment via voucher has to be completed for all vouchers in the following manner:

voucher, invoice.as follows (one original copy given to the client, leave the second copy for the accounting department, and transfer the third set to the Ministry of Trade, tourism and telecommunications).

C. Suggestion of models of necessary activities for the purpose of performance audit for vouchers - results obtained by controlling comparative records:

1. Make a comparative overview of realized certificates and realized vouchers on a monthly basis in all organizations that are on the list of catering facilities where a reservation can be made
2. Separate the issued certificates that are not covered by the realized vouchers.
3. Perceive did the organizations that issued the certificate to a user, might have had an extra costs if the certificate was not implemented in accordance with the request for confirmation, but has already been used for another purpose.
4. Create a vouchers recording which have been implemented in accordance with a certificate in the same facility, but in another time period.
5. Create a record of guests who paid the vouchers for a lodging in the hotel, and actually used health tourism services.
6. Consider the further suggestions that will more closely integrate the issued certificates with the realization of vouchers in order not to cause the costs of those certifying organizations and reserving capacity In this way, the costs and consequences of unrealized realization would be minimized.

Having in mind that "the performance audit is a procedure in which it is examined how public funds were used, in order to determine whether it was done in accordance with the principles of economy, efficiency and effectiveness and also in accordance with the planned objectives (Vidović & Milunović, 2017), the above steps would provide a thorough analysis and thus minimize costs and eliminate the consequences of the unfulfilled but planned implementation. You need to make a record of it.

As a result of controlling the proposed model of the necessary activities for the purpose of the performance audit, a table has been created, and it is strongly recommended as a form of control that would give a better insight into the costs that may arise from issuing a certificate, in order to take the necessary steps for minimizing the absence of realization of the vouchers.

Table 1: *Control of realization of the vouchers in relation to the issued certificates*

Name of the list of restaurants / tourist organizations							
Number.	Certificate number	Date of issue	Name and surname of the certificate owner	The period of use of the voucher from the certificate	Realization	Date of voucher submission to the Ministry of Tourism	The amount of expenses due to the cancellation of the reserved accommodation

Note: For each data in the table, it is necessary to have supporting documentation.

Authorized signature:

The future of the health tourism in the RS

Our country has natural resources that are not efficiently used for the development of health and tourism purposes, as well as for overall tourism and economic development. According to the fact that the RS is a country, with a very favorable geographical position, multicultural tradition, rich natural resources and historical and cultural heritage, it can be concluded that its resources are still not sufficiently used. The hospitality of the population of the Republic of Serbia in the tourism sector needs to be significantly better. In order for this to be possible, it is necessary to provide the following:

- strengthen public-private partnership in the tourism sector,
- improve the road connections between tourist destinations,
- provide a higher level of support services and highly educated tourism professionals,
- develop awareness of health tourism,
- develop awareness of environmental protection
- modernize the tourist infrastructure
- although it has been made the significant breakthroughs in the reform of the legislative framework in the field of tourism, and extensive planning documentation for the development of more than 15 regions

- and destinations has also been produced, there is still a lack of legislation on health tourism,
- although a large number of hotels, hostels and trade union resorts are sold in the process of restructuration of the economy through the privatization, still many of them do not work for years
 - activate abandoned objects and property of high value in state ownership which use allocates additional subsidies,
 - establish a system for managing tourist destinations and areas,
 - an effective functional link between the economy, tourist organizations, associations and business associations, educational and scientific institutions has not been achieved in order to form a safe, long-term and sustainable development of tourist areas and areas (Ministry of Trade, Tourism and Telecommunications, 2016),
 - and it is necessary to establish;
 - a waste management system and the promotion of energy efficiency and sustainable development in tourist areas and destinations has not been established and needs to be established;
 - there is an absence of an effective program and action link between different authorities and levels of government in the implementation of the previous Strategy in the planning and implementation of infrastructure maintenance of tourist destinations, timely planning and coordination in establishing deadlines and operators (Ministry of Trade, Tourism and Telecommunications, 2016), it should be established;
 - solve the issues of unregulated records and inefficient and out-of-date methodologies and implement international quality standards, system of statistical coverage and statistical monitoring of the performance of the tourism sector in the RS;
 - establish detailed evidence in Register of tourism (in Serbian Business Register Agency).
 - establish detailed records in the Register of Tourism (at the Business Registers Agency).

What is necessary for tourism organizations is to have their own plans for future sales. Various international factors (unprofessional or inconvenient work of the hotel staff, inefficient advertising, etc.) and external factors (recession, competition activities) very often require the rewriting of such plans or their rebalance (Eremić-Đodić et al., 2018a).

Here are the results of the analysis of the anonymous questionnaire and survey (grade 1-5), and also the results of the examination of the working documentation and the conducted tests, as the following conclusions:

- subsidized vouchers in national tourism helped developing hotel capacities by rating midium - 3;
- of all categories stimulated by vouchers for tourist departure, the lowest score was poor - 2 from the following groups:
 - are users of the right to financial compensation for the help and care by another person in accordance to the law on social protection
 - users of the right to financial compensation for the help and care by another person in accordance to the law on pension and disability insurance
 - by war disabled persons and civil disabled persons of war with incomes, which do not exceed the amount of 60,000 dinars per month;
 - users of the right to a financial compensation for family pension of war victims;
 - householders who have declared themselves exclusively engaged in agriculture, who are registered in the Register of Agricultural Holdings in accordance with the Law on Agriculture;
- a group of pensioners, unemployed persons and persons with incomes which do not exceed the amount of 60,000 dinars per month are rated by the average -3 in the survey;
- when it comes to increasing sales of voucher arrangements in relation to the previous year, all groups are rated with average of 3, except for the users of the right to financial compensation for the help and care by another person, who realize this right in accordance with the law regulating pension and disability insurance - bad – 2;
- only a quarter of respondents keep accurate records of health tourism, and even fewer of them sorted them out by category;
- the respondents' recommendations are that vouchers can be used for all tourist services;
- it is recommended that tourist agencies offer even better wellness programs. According to the survey there is an increase in the sale of weekend packages rating - 4;
- it is noticed that the surveyed hotels have an increase in the number of voucher users, which stimulates the family and promotes health tourism;

- it is necessary to link records on requirements and realization of them through vouchers;
- it has been noticed that there is a lack of information given to the competent institutions which leads to poor control and insufficient data;
- the lack of adequate procedures and software support leads to inaccurate data and inaccurate records.

Only well organized controls can provide management in the tourism industry with timely information on the basis of which they will make an additional allocation of resources, make changes to the range of products/services, and, when necessary, make corrections of their plans (Eremić-Đodić et al., 2018a).

This creates a good basis for introducing a continuous monitoring in this area, which is the ultimate goal of each audit.

Conclusion

Considering the resources of our country: hot springs, wellness services, spa and mountain tourism, nature protected resorts, good traffic connections between spa and mountains, The Republic of Serbia could take a high place in the development of health tourism. However, it is also necessary to take certain measures in order to increase its competitiveness in the following areas:

- wellness tourism,
- medical tourism,
- health tourism.

The development priorities of all the above mentioned categories should include the improvement of the offer through the quality of the provided services and better communication with the target groups as well as more professional staff and improvement of certain institutions through international certification, and others.

Health tourism represents a special form of tourism in the world. The permanent development of preventive medicine and technology significantly contribute to a better understanding of health. That is why, besides the life expectancy, the majority sets themselves to preserve their optimal health at the most important goal. In this way, the orientation towards health increasingly affects the increase in the annual growth rate,

which points to a new form of tourism - health tourism. It is not difficult to see that health tourism in the future has the potential to become one of the main motives for traveling.

Assessing the suggested model of financing in the function of the performance audit of health tourism financing by vouchers, the Republic of Serbia has made a great step forward.

The proposed audit procedure provides a detailed analysis that measures the efficiency of spending the funds received in vouchers more accurately. Applying the previous mentioned, we make connection between tourist organizations and health institutions. It leads to mutual benefits and the ultimate goal is the development of the Republic of Serbia.

References

1. Andrić, M., Krsmanović, B. & Jakšić, D. (2012). Revizija – teorija i praksa, V izdanje. Univerzitet u Novom Sadu, Ekonomski fakultet u Subotici.
2. Eremić-Đodić, J. & Tomić, A. (2018a), Development of the financing model for tourism of local governments in the function of the performance audit. Tourism in the Era of Digital Transformation, Thematic Proceedings I of the Third International Scientific Conference Tourism in function of development of the Republic of Serbia, Vrnjačka Banja, 692-707.
3. Eremić-Đodić, J., Sedlak, O. & Tomić, A. (2018b). Defining the control points of forensic audit in the insurance sector, Insurance In The Post-Crisis Era, International Scientific Conference 2018, Arandelovac, Ekonomski fakultet Beograd, Serbia, 457-473.
4. International Federation of Accountants, (2009). Handbook of International Standards on Auditing and Quality Control. <http://www.ifac.org>.
5. Marković, L. (2019). What is Tourism, Pc-press, 26.02.2019.,1.
6. Ministry of Trade, Tourism and Telecommunications. (2016). Tourism development Strategy of the Republic of Serbia 2016 – 2025,

<http://mtt.gov.rs/download/3/TOURISM%20DEVELOPMENT%20STRATEGY%20OF%20RS%202016-2025.pdf>, (26 February 2019).

7. Popović, J., Novović, M. & Vukadinović, S. (2013). Marketinški pristup razvoju zdravstvenog turizma u Republici Srbiji, FBIM Transactions, Vol. 1 No. 2, 124-135.

8. Types of tourism, <http://www.ef.uns.ac.rs/Download/ekonomika-turizma-i-ugostiteljstva/2013-03-04-vrste-turizma.pdf>, (26 February 2019).

9. Vidović, Z. & Milunović, M. (2017). Audit of businesses purpose. Oditor - časopis za Menadžment, finansije i pravo, Vol. 3 No. 2, 37-53.

LIST OF REVIEWERS

- Prof. Agatha Popescu, Ph.D., University of Agricultural Sciences and Veterinary Medicine, Bucharest, Romania
- Prof. Aleksandra Despotović, Ph.D., Faculty of Biotechnology, Podgorica, Montenegro
- Prof. Alexander Esaulko Nikolaevich, Ph.D., Faculty of Agrobiology and land resources, Stavropol State Agrarian University , Stavropol, Russia
- Prof. Alexandru Stratan, Ph.D., Institute of Economy, Finance and Statistics, Chisinau, Moldova
- Prof. Ana Langović Milićević, Ph.D., Ministry of Education, Science and Technological Development of the Republic of Serbia, Belgrade, Serbia
- Prof. Andrei Jean Vasile, Ph.D., Faculty of Economic Sciences, Petroleum Gas University of Ploiesti, Romania
- Prof. Andreica Romulus, Ph.D., Commercial Academy of Satu Mare, Satu Mare, Romania
- Prof. Andrej Baydakov Nikolaevich, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Prof. Anka Popović Vranješ, Ph.D., Faculty of Agriculture, Novi Sad, Serbia
- Prof. Bahrija Umihanić, Ph.D., Faculty of Economics, University of Tuzla, Bosnia and Herzegovina
- Prof. Blagica Sekovska, Ph.D., Faculty for Veterinary Medicine, Department of Management and Economy, Skopje, North Macedonia
- Prof. Boro Krstić, Ph.D., University of Bijeljina, Republic of Srpska, Bijeljina, Bosnia and Herzegovina
- Prof. Carlos Saborio Viquez, Ph.D., University of Costa Rica, San Jose, Costa Rica
- Prof. Christina Yancheva, Ph.D., Agricultural University, Plovdiv, Bulgaria
- Prof. Claudiu Cicea, Ph.D. Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Dan Boboc, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Danko Milašinović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia

- Prof. Darko Dimitrovski, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Dimitre Nikolov, Ph.D., Institute of Agricultural Economics, Sofia, Bulgaria
- Prof. Dorel Dusmanescu, Ph.D., Faculty of Economic Sciences, Petroleum Gas University of Ploiesti, Romania
- Prof. Dragan Vojinović, Ph.D., Faculty of Economics, Pale, University of East Sarajevo, Bosnia and Herzegovina
- Prof. Dragana Gnjatović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Drago Cvijanović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Elena Kostyukova, Ph.D., Stavropol State Agrarian University, Russia
- Prof. Elena Stoian, Ph.D., University of Agricultural Sciences and Veterinary Medicine, Bucharest, Romania
- Prof. Ferhat Cejvanovic, Ph.D., Faculty of Economics, University of Tuzla, Bosnia and Herzegovina
- Prof. Gabriel Popescu, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Gordana Miceska, Ph.D., Institute for Tobacco, Prilep, North Macedonia
- Prof. hab. Andrzej Kowalski, Ph.D., Institute of Agricultural and Food Economics, Warsaw, Poland
- Prof. Igor Sklyarov Ujrjevich, Ph.D., Stavropol State Agrarian University, Russia
- Prof. Ivan Atanov, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Prof. Marija Kostić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Marija Mandarić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Marina Leshyeva Genrikhovna, Ph.D., Russia
- Prof. Marko Ivanković, Ph.D., Federal Agro-Mediterranean Institute, Mostar, Bosnia and Herzegovina

- Prof. Mile Peshevski, Ph.D., Faculty of Agriculture Sciences and Food, University Ss. Cyril and Methodius, Skopje, North Macedonia
- Prof. Miomir Jovanović, Ph.D., Faculty of Biotechnology, Podgorica, Montenegro
- Prof. Mirela Stoian, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Nadezhda Tarasenko Vasilevna, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Prof. Nadia Carmen Ciocoiu, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Natalya Bannikova Vladimirovna, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Prof. Natalya Kulish Valentinovna, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Prof. Nebojša Pavlović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Nela Đonović, Ph.D., Faculty of Medical Sciences, University of Kragujevac, Kragujevac, Serbia
- Prof. Nicolae Istudor, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Olga Kusakina Nikolaevna, Ph.D., Faculty of Economics, Stavropol State Agrarian University, Stavropol, Russia
- Prof. Rade Ratkovic, Ph.D., Faculty of Business and tourism, Budva, Montenegro
- Prof. Raluca Andreea Ion, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Razvan Catalin Dobrea, Ph.D., Bucharest Academy of Economic Studies, Bucharest, Romania
- Prof. Sandra Živanović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Sanja Kocić, Ph.D., Faculty of Medical Sciences, University of Kragujevac, Kragujevac, Serbia
- Prof. Silviu Beciu, Ph.D., University of Agricultural Sciences and Veterinary Medicine, Bucharest, Romania
- Prof. Simion Certan, Ph.D., Moldova State University, Moldova
- Prof. Smiljka Isaković, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia

- Prof. Snežana Milićević, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Stane Kavčič, Ph.D., Biotechnical Faculty, University of Ljubljana, Slovenia
- Prof. Toma Dinu, Ph.D., University of Agricultural Sciences and Veterinary Medicine, Bucharest, Romania
- Prof. Vesna Milić, Ph.D., Faculty of Agriculture, East Sarajevo, Republic of Srpska, Bosnia and Herzegovina
- Prof. Vitaliy Morozov, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Prof. Vladimir Senić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Prof. Zlatko Langović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Aleksandra Mitrović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Andrej Mićović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Dejan Sekulić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Dragana Pešić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Marija Lakićević, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Miljan Leković, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Tanja Stanišić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia

- Asst. Prof. Vesna Milovanović, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Asst. Prof. Zoran Srzentić, Ph.D., Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac, Vrnjačka Banja, Serbia
- Adam Wasilewski, Ph.D., Institute of Agricultural and Food Economics, Warsaw, Poland
- Adrian Stancu, Ph.D., Faculty of Economic Sciences, Petroleum Gas University of Ploiesti, Romania
- Adrian Turek Rahoveanu, Ph.D., Research Institute for Agriculture Economy and Rural Development, Bucharest, Romania
- Adrian Unugureanu, Ph.D., Faculty of Economic Sciences, Petroleum Gas University of Ploiesti, Romania
- Alexander Trukhachev, Ph.D., Stavropol State Agrarian University, Stavropol, Russia
- Anna Ivolga, Ph.D., Stavropol State Agrarian University, Russia
- Corina Ene, Ph.D., Faculty of Economic Sciences, Petroleum Gas University of Ploiesti, Romania
- Magdalena Turek Rahoveanu, Ph.D., Research Institute for Agriculture Economy and Rural Development, Bucharest, Romania
- Marek Wigier, Ph.D., Institute of Agricultural and Food Economics, Warsaw, Poland
- Vasily Erokhin, Ph.D., Moscow University of Finance and Law (MFUA), Moscow, Russia
- Vladimir Radivojević, Ph.D., Ministry of Defense of the Republic of Serbia, Regional centre Niš, Niš, Serbia
- Vladimir Shibaykin, Ph.D., Saratov State N. I. Vavilov Agrarian University, Saratov, Russia
- Zuzana Palkova, Ph.D., Technical Faculty, Slovak University of Agriculture in Nitra, Nitra, Slovak Republic

DONORS
OF INTERNATIONAL SCIENTIFIC CONFERENCE
TOURISM IN FUNCTION OF DEVELOPMENT OF THE
REPUBLIC OF SERBIA

Tourism as a Generator of Employment

- Ministarstvo prosvete, nauke i tehnološkog razvoja Vlade Republike Srbije
- Opština Vrnjačka Banja
- Turistička organizacija Vrnjačka Banja
- Visoka škola modernog biznisa, Beograd
- Ugostiteljsko-turistička škola sa domom učenika, Vrnjačka Banja
- RebResNet – Research Network on Resources Economics and Bioeconomy
- Prosoft, Beograd
- Solaris, Vrnjačka Banja
- Vila Splendor, Vrnjačka Banja
- Hotel Danica, Vrnjačka Banja
- Restoran Kruna, Vrnjačka Banja
- Keops, Vrnjačka Banja
- Naša pekara, Vrnjačka Banja
- Dobra klopa kod Velje, Vrnjačka Banja
- Zrno zdravlja, Vrnjačka Banja
- PIK Oplenac, Topola
- Voda Vrnjci, Vrnjačka Banja
- Vinarija Mačkov podrum, Irig
- Vinarija Grabak, Vrnjačka Banja
- Vinarija Doja, Blace
- Rubin, Kruševac
- Valjevska pivara, Valjevo
- Dana rakija, Vrnjačka Banja
- Industrija mesa Petković, Paraćin
- Poslovni sistem – Mihajlović, Paraćin
- Udruženje turističkih entuzijasta EXPERIOR SERBIA, Vrnjačka Banja
- Hotel Koliba, Grza, Paraćin
- Rakija iz Rakije, Gledić
- Mirage, Kraljevo



338.48(082)

338.485(082)

INTERNATIONAL Scientific Conference Tourism in Function of Development of the Republic of Serbia (4 ; 2019 ; Vrnjačka Banja)

Tourism as a Generator of Employment : thematic proceedings. 2 / The Fourth International Scientific Conference Tourism in Function of Development of the Republic of Serbia, Vrnjacka Banja, 30 May - 1 June, 2019 ; [organizer] University of Kragujevac, Faculty of Hotel Management and Tourism in Vrnjačka Banja ; [edited by Drago Cvijanović ... [et al.]. - Vrnjačka Banja : University of Kragujevac, Faculty of Hotel Management and Tourism, 2019 (Vrnjačka Banja : SaTCIP). - 784 str. : graf. prikazi, tabele ; 25 cm

Tiraž 100. - Napomene i bibliografske reference uz tekst. - Bibliografija uz svaki rad.

ISBN 978-86-89949-39-1

ISBN 978-86-89949-37-7 (za izdavačku celinu)

а) Туризам -- Зборници б) Туризам -- Економски аспект -- Зборници

COBISS.SR-ID 276296460

4th International Scientific Conference
TOURISM
IN FUNCTION OF DEVELOPMENT
OF THE REPUBLIC OF SERBIA

Tourism as a Generator of Employment

30 May - 1 June, 2019

Vrnjačka Banja, Serbia

THEMATIC PROCEEDINGS - II

20
19

ISBN 978-86-89949-37-7

ISBN 978-86-89949-39-1



University of Kragujevac

Faculty of Hotel Management and Tourism in Vrnjačka Banja

Vojvođanska 5a, 36210 Vrnjačka Banja, Serbia

(+381 36) 515.00.24, 515.00.25

tiscconference@gmail.com • www.hit-vb.kg.ac.rs/conference