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

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



**THEMATIC
PROCEEDINGS**

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



HOUSEHOLDS IN RURAL AREAS AND RURAL TOURISM

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Abstract

Rural tourism can initiate the development of villages. It is important for Serbian villages and can be significant for the survival of village households. The aim of the research is to point to the resources in villages that may contribute to rural tourism. Methods which were used comprise the method of analysis, synthesis methods, mathematical and statistical methods, descriptive methods and method of observation. In Serbia rural areas there are resources for the development of rural tourism. In research we came to the following data: in Serbia there are 1.025.000 households, existing human resources, existing buildings in villages, food production in villages, preserved and unpolluted environment, national cuisine and tradition and culture.

Key Words: *rural tourism, village, households, resources, development*

JEL classification: *Z31*

Households in rural areas

Our country has 7.18 million inhabitants, of which 40.60% live in rural areas. Out of total number of households, 631.000 possess the potentials that are most important leaders of the development of rural areas, rural development, agricultural development, development of other activities. Serbia has 5,2 million hectares of agricultural land, of which 4,2 million hectares of arable land a cultivated around 3,35 million hectares, while other areas are neglected.

The article analyzes some of the special characteristics of households. We observed an increase in continuity from the mid-last century until the last decade when it started to collapse. Simultaneously the number of

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members in a household is decreasing with more and more of single households and the elderly. This phenomenon is especially obvious in rural areas, especially in the South and Southeast of the country. Obviously, households and farms are in the process of change which occurred with structural changes of the population which affects development of rural areas, rural development, agriculture and other activities and therefore the development of the economy as a whole.

Therefore, it is necessary to take certain measures to revitalize rural areas. Those measures should be focused, among other, on educational potential in order to reduce the existing educational disbalances. All of this should contribute to the development of modern agriculture and rural areas. However, future rural development will increasingly emphasise not only agricultural development, but also other activities in rural economy. Educational potential and its improvement will have an increasingly important role in such economic and social process (Jelić & Jovanović 2014).

Inherited ownership structure of holdings where small farms predominate and is dispersed across, more elderly and single-person of holdings dealing with agriculture or other activities may not be important subjects for rural development or any activities if appropriate measures are not taken- the agrar policy enforced with the development strategy realistic and attainable.

Rural areas are developed but not sufficiently, which has achieved stagnation in certain areas and regions.

More than 1.500 villages in Serbia (out of 4.600) have no schools, while 750 rural schools have fewer than 15 students to one teacher. Of 3,14 rural primary schools, 2.621 have less than 300 students. 2.121 rural schools have students from first to fourth grade, while 1.022 schools are eight grade (Nenadić 1997). In Serbia, there is process of the continuous increase in the number of small rural settlements with fewer and fewer students and a large number of small schools (Jelić & Jovanović 2013).

With recourses of households and farms that have a higher land area, labor, machinery, livestock and similarly can give a greater impetus for increasing agricultural production, thereby creating opportunities for the development of rural areas.

It is needed to create preconditions for the development of comparative advantages of agriculture or other activities for which conditions exist and reindustrialization where are households were the main carriers of development of rural areas and rural development.

Results of research on the impact of households in rural development and rural tourism

Households and farms are in certain way a base and epicenter of change in rural areas. In Republic Serbia there are 7,18 million people out of which 40.60% live in rural areas. It should be noted that: a large part of rural population of small farmers who can be one of pillars of development and increasing production. Mixed sources of income are represented in a number of small family farms and households in country. The characteristic of the rural population in these areas is also lower unemployment than in urban areas. Agriculture is the activity they are engaged in. Of the total number of households, 631.000 households are equipped with resources that are the most important agents of rural development, rural development, agricultural development, rural tourism and development of other activities. The potential that qualifies includes human capital, land, knowledge about traditional production and space for advancement and development.

Serbia has 5.2 millions hectares of agricultural land, of which 4.2 millions hectares of arable land and handles about 3.35 millions hectares, while other areas are neglected. It is a great pity that certain agricultural land, on which agricultural production could be created, are abandoned. The areas that have been neglected are overgrown with weeds, shrubs, bushes and trees. A big problem is putting them into use for the necessary preparatory work. This land is popularly said "rested" and production would be more than successful and without undue necessary agro-technical measures. There are areas where there are the remains of orchards and vineyards, which are neglected. These areas can, with some effort, be converted to pasture or arable land. Big problem for rural development of the village is a "no man's land" - which refers to unregulated ownership relations over the possession of land.

Family farms crucially are determines of agricultural production, but it is just a social construct shaped by all other determinants of the peasant way of life, such as:

1. rustic papers and soil;

2. apartments in a rural family house and rural village as spatial framework of rural work and life;
3. local organizing rural collectives, peculiar system of rural local groups and institutions;
4. rural culture as historically formed continent spiritual process and creation (values and norms) which finds, develops, evaluates and regulates social life (works, housing and communications) people in village (Mitrović, 2015).

Rural development policy reforms in 2013 planned to include six priorities: encouragement of knowledge and innovation transfer; competitiveness increase; promotion of the food chain and risk management; restoration, preservation and enhancement of ecosystems; promotion of efficient use of resources and support to transition to economy with low emissions of carbon dioxide; resistance to climate impacts in agriculture, food and forestry sectors; promotion of social inclusion; poverty reduction and economic development in rural areas (Jelić & Jovanović, 2014).

Rural tourism and its development are important determinants. All these listed determinants can be crucial for rural development of rural areas and rural tourism. Special conditions for function that family farms and households have. Problem that arises in a rural location relates to the various forms of migratory processes that are not favorable for the survival of rural areas. If rural tourism development is based on the innovation of contemporary, it is hard that elderly households will realize it. Therefore, a functional mid-trained village youth is very important as they can provide all the necessary conditions for life.

Census of Agriculture, which was in 2012, offered different ways to help better understanding of the situation in country and potentials for rural development. Type of production on family farms is one of the determinants. Agricultural production is the basis for the development of moving with application of new innovations. Table 1 provides an overview of number of farms according to the type of production, as well as surfaces which are processed. It must be noted that this potential in terms of the number of farms and arable land differs depending on the area in Serbia. Certain regions and areas stand out in comparison to others. All this is due to population commitment and financial investment in certain industries. Small agricultural farms are in need of further means for improving the surface, replacement of worn machinery resources,

procurement of materials, expansion of the capacity. According to Agricultural Census 2012, 621.445 households cultivate an area of 3.437.423,49 ha. Average per household, 5,53ha is treated. Given that certain areas are not treated there is scope to increase this potential. The number of households has certainly reduced, and more than likely it was in 2016 lower than in 2012, when the Census results were given to the public. Family farms used or actually used and processed 2.825.068,01 ha and 619.141 farm. On average, 4,56 ha was processed per family farm.

The most important agricultural production capacities of these holding types comprise the following: land, livestock, permanent crops and agricultural machinery. With regard to the fact that the Republic of Serbia is in the process of extremely complicated transitional changes that inevitably affect the agriculture as well, it is very important to view the facts and possible development of family-owned holdings in an objective manner since they are the main factors of the agricultural production of the country. Therefore, a thorough analysis of their production capacities is of extreme importance. (Jelić, 2007)

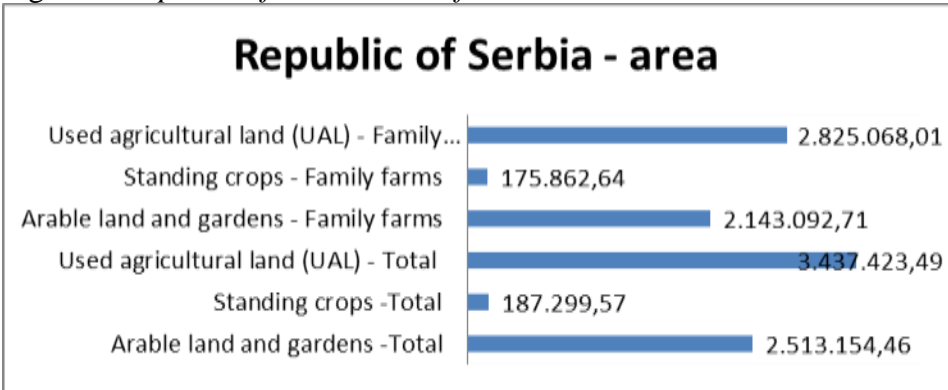
Table 1: *Households by type production*

Characteristics	Total	
	Area, ha	Number of farms
Number of farms and the area under different crops by type production		
REPUBLIC OF SERBIA		
Total		
Arable land and gardens	2.513.154,46	519.446
Standing crops	187.299,57	322.084
Used agricultural land (UAL)	3.437.423,49	621.445
Family farms		
Arable land and gardens	2.143.092,71	517.982
Standing crops	175.862,64	321.236
Used agricultural land (UAL)	2.825.068,01	619.141
Belgrade region		
Total		
Arable land and gardens	106.721,45	25.561
Standing crops	13.505,72	15.203

Used agricultural land (UAL)	136.389,19	32.805
Family farms		
Arable land and gardens	77.268,81	25.500
Standing crops	12.960,53	15.161
Used agricultural land (UAL)	104.962,85	32.710
Region Vojvodina		
Total		
Arable land and gardens	1.466.175,62	118.052
Standing crops	22.335,77	25.987
Used agricultural land (UAL)	1.608.896,15	141.570
Family farms		
Arable land and gardens	1.142.645,35	117.134
Standing crops	15.487,34	25.694
Used agricultural land (UAL)	1.177.264,07	140.407
Sumadija and Western Serbia		
Total		
Arable land and gardens	518.626,55	206.804
Standing crops	100.151,47	167.159
Used agricultural land (UAL)	1.014.209,71	261.078
Family farms		
Arable land and gardens	514.227,56	206.512
Standing crops	97.558,45	166.794
Used agricultural land (UAL)	945.455,00	260.378
Southern and Eastern Serbia		
Total		
Arable land and gardens	421.630,84	169.029
Standing crops	51.306,61	113.735
Used agricultural land (UAL)	677.928,44	185.992
Family farms		
Arable land and gardens	408.950,99	168.836
Standing crops	49.856,32	113.587
Used agricultural land (UAL)	597.386,09	185.646

Source: Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia

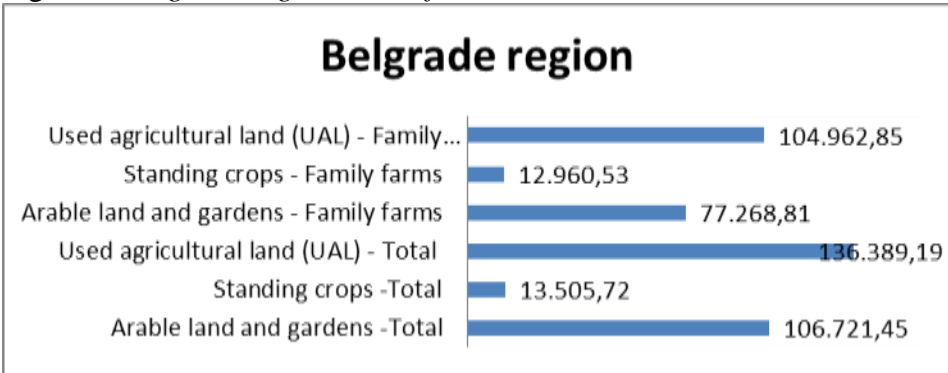
Figure 1: *Republic of Serbia - use of land*



Source: *Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia*

Observing Serbia in total, we see that there are differences between total area and the one used by the household. The graph shows the differences in characteristics.

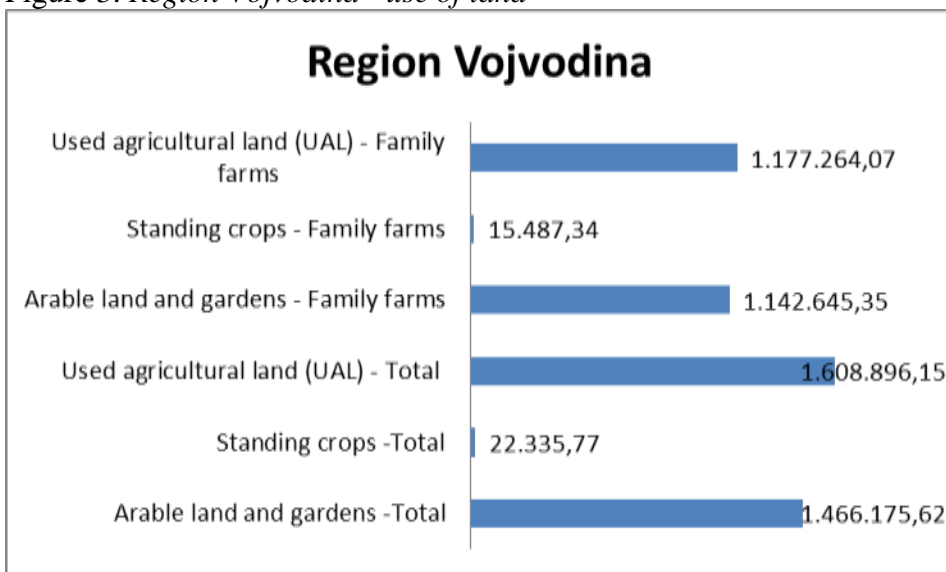
Figure 2: *Belgrade region - use of land*



Source: *Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia*

If we look at Belgrade region, we find that a total of used, farmland area of 136.389,19 ha and 32.805 farms. Average per farm is 4,16 ha. Family farms use 104.962,85 ha and 32.710 family farms, average per farm is 3.21 ha benefits. This indicator testifies that in the Belgrade region agricultural land used per family farm is below the average of the Republic of Serbia.

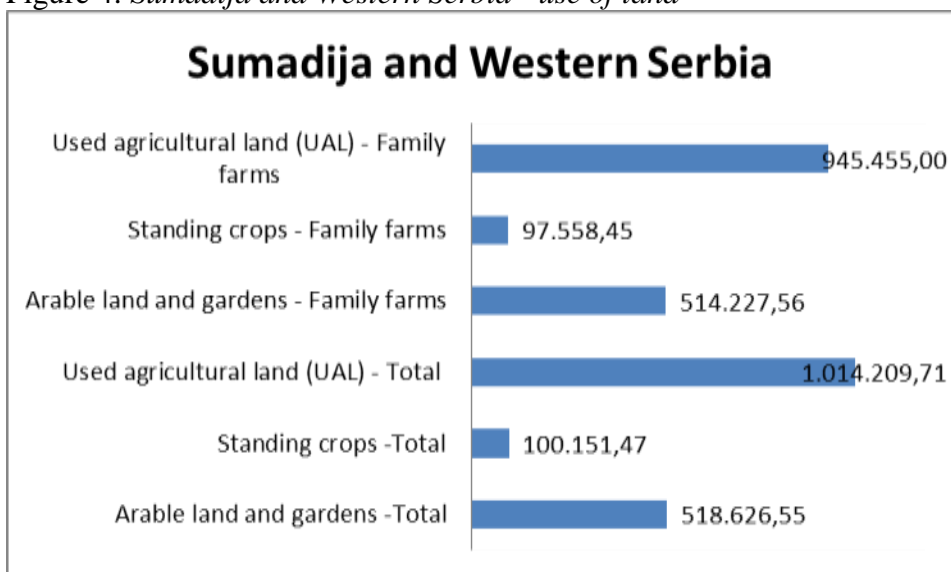
Figure 3: *Region Vojvodina - use of land*



Source: *Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia*

If we consider Region of Vojvodina, it takes the highest share in structure of utilized agricultural land. In Vojvodina 1.608.896,15 ha are used and an average of 141.570 farms - 11.36 ha is used. If we consider the family farms total used area of agricultural land is 1.177.264.07 ha, which 140.407 farms use. Average used agricultural land per family farm is 8,38 ha. This is 2,98 ha less than the average total for Vojvodina.

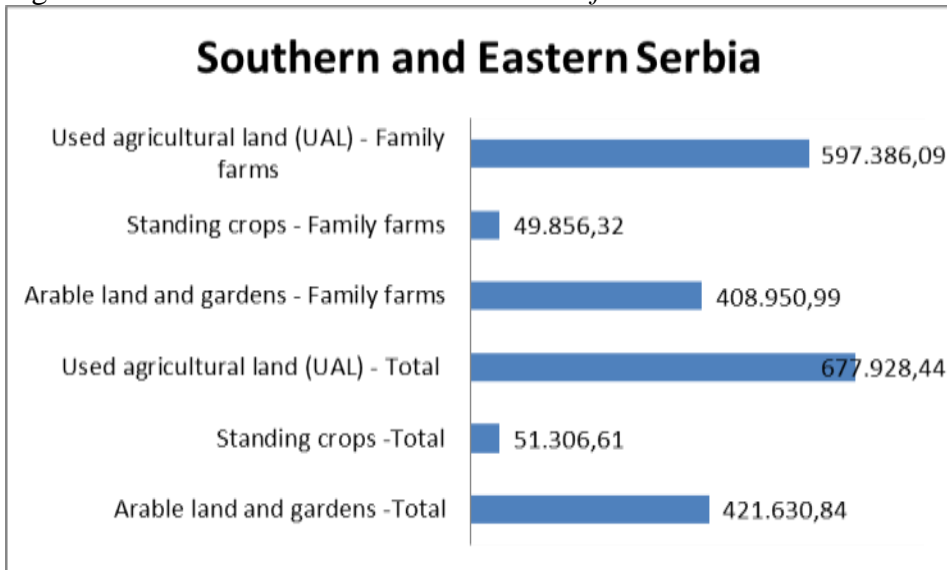
Figure 4: Šumadija and Western Serbia - use of land



Source: Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia

If we look at Sumadija and Western Serbia, we see that the total agricultural land used is 1.014.209,71 and 261.078 farms benefit. Average per farm is used 3,98 ha, which is significantly less than in Vojvodina. If we look at agricultural land used by family farms that there is the following statistics: 945.455,00 ha is used by 260.378 households. Average family farm is 3,63 ha and uses slightly less than the overall average for the territory. Here again that geographic mismatch in agricultural production and land use capacity is noted. A big problem in this region is fragmented holdings. This is another task to be solved in terms of rural development. It is necessary to do something about the problem.

Figure 5: *Southern and Eastern Serbia - use of land*



Source: *Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia*

If we observe the region of South and East Serbia, we find that the total used area of the land farming is 677.928,44 ha and that of the holding hand 185.992, on average, of 3,64 ha. This indicator testifies that the average used agricultural area in the region is the lowest in relation to the other. If we look at agricultural land used by family farms in the region that is 597.386,09 ha and 185.646 family farms benefit. Average per family farm is 3,22ha, and it is the least as compared to other regions.

A total os agricultural land used is larger than the agricultural land used by family farms. There are a number of entrepreneurs who have activity in rural areas. Family farms make one of the great potentials for rural development of rural areas. Particular problem for the discussion refers to the differences between the regions, which are also visible. The question is whether it is necessary to emphasize on how to establish and enforce equality between the regions in terms of agricultural production.

Table 2: *Households by economic size*

Indicator	Total	value in € 0-2.000	value in € 1.000.000-1.500.000	value in € +3.000.000
	number of farms	number of farms	number of farms	number of farms
REPUBLIC OF SERBIA				
Total				
Used agricultural land (UAL)	621,445	280,427	55	41
family farms				
Used agricultural land (UAL)	619,141	279,804	3	1
SERBIA – NORTH				
Total				
Used agricultural land (UAL)	174,375	70,708	49	38
family farms				
Used agricultural land (UAL)	173,117	70,444	3	1
Belgrade region				
Total				
Used agricultural land (UAL)	32,805	15,574	1	10
family farms				
Used agricultural land (UAL)	32,71	15,553		1
SERBIA – SOUTH				
Total				
Used agricultural land (UAL)	447,07	209,719	6	3
family farms				

Used agricultural land (UAL)	446,024	209,36		
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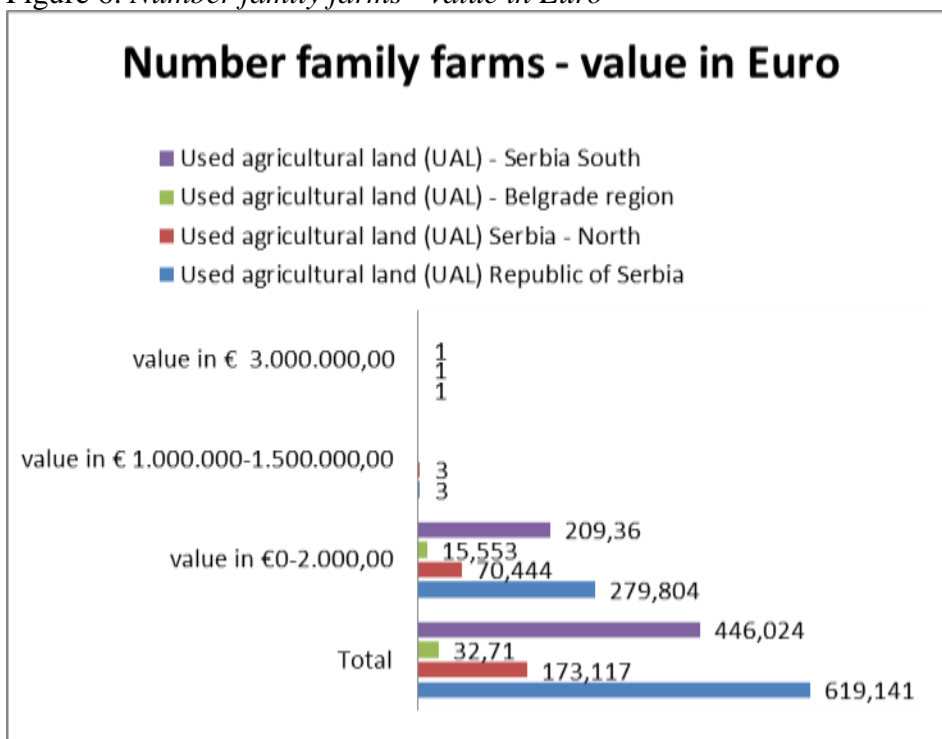
Source: Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia

Table 2 shows the number of economic value of family farms. Taken certain values in order to become aware of the major differences that exist. The largest number of households when we look at Serbia as the overall category has an economic value to 2.000,00 euros. Only 41 farms have an economic value of 3.000.000,00 euros, while the value to 1.500.000,00 55 family farms have. If we look at the category of family farms, only 3 farms in the Republic of Serbia have an economic value of up to EUR 1.500.000,00 and Sumadija has an economic value of EUR 3.000.000,00.

If we observe the north Serbia, 70.708 households have an economic value to 2.000,00 euros. The economic value of up to EUR 1.500.000,00 49 farms have in the north of Serbia, and 38 farms have an economic value of holdings of 3.000.000,00 euros. Looking at family farms in the north of Serbia, we see that 70.444 family farms have an economic value to 2.000,00 euros, 3 family farms have an economic value of holdings to 1.500.000,00 euros and 1 family farms has an economic value of EUR 3.000.000,00 and to family farms uses 1.823,00 ha of land.

Regarding this parameter, the situation in southern Serbia is drastically different from the north of Serbia. If we look at the status a total of the highest number of farms has economic value to 2.000,00 euros, 6 farms have an economic value to 1.500.000,00 euros and 3 farms have a value of 3.000.000,00 euros. When we look at family farms most have economic value of up to 2.000,00 euros, while family farms with the economic value of 1.500.000,00 and 3.000.000,00 euro do not exist in the records.

Figure 6: *Number family farms - value in Euro*



Source: *Author's calculation based on Census of Agriculture 2012, database, Statistical Office of the Republic of Serbia*

Life in the countryside and in rural areas is linked to the largest potential capacities such as population and agricultural land. The great migratory processes from villages to the city, and much higher in the direction of the city, especially the young population. In the countryside the number of inhabitants is drastically reduced, the number of elderly households, mortality is higher than the birth rate, there are more and more abandoned houses and homes. Decrease in agricultural land is affected by the reduction of production capacity, neglected land, illegal construction of buildings, reduced soil quality, lack of infrastructure, the impact of floods and weather conditions, human negligence and the like.

Rural tourism chance for rural households

Rural tourism is a chance for rural households. Agriculture households need to use all resources and engage in tourism. Of course, they need to be trained and educated. Recently, a large number of farms in the country

have turned to tourism. Bidding is done in a number of ideas in rural tourism.

Rural tourism is a common name for all the special forms of rural tourism in rural areas. Rural areas where rural tourism takes place is determined by three main characteristics: population density, land use and identity of the community. Rural area could be defined as areas with a small concentration of the population who has a basic interest in agriculture, which is characterized by a special customs and identity of the village. It should be noted that rural areas contrast with the urban space (Todorović & Štetić, 2008).

According to the estimates of the research, in Europe about 23% of tourists a year opt for rural tourism. In Europe, the rural tourism is realized approximately by 200,000 registered service providers, with more than 2,000,000 beds. Tourist spending in the tourism industry is about 12 billion euros (Bošković, 2012).

Lately, there has been a barn, as part of rural tourism, which takes place on farms where there is a possibility that with the primary agricultural activity service offer includes food and drinks and / or accommodation (Miletić & Todorović, 2003).

Resume

Authors sought to, based on a small number of credible indicators, point to the potentials of households and farms in the function of rural development and rural tourism development. Major handicap for the development of farms and the expansion of the capacity of soil as one of the potentials for rural development are abandoned agricultural areas, fragmentation of holdings and unresolved propriety issues. If decorating these spaces is inevitably planned, these problems must be solved.

Another obvious problem in resources for rural development is the depopulation of the population in rural areas. It is great as migrant outflow of young people from villages and small number of returnees in the village. Decreases as the number of inhabitants in the country, and number of households. The number of elderly households whose ability to work is limited. The number of residents per household is reduced in rural areas. There is a tendency of increase in the number of "extinct" and

abandoned villages. The big question is how to restore life in every sense in these areas. Negative population growth tends to increase.

There are obvious differences between regions in relation to agricultural private farms and surface to be coated. In Vojvodina, in northern Serbia there is generally more favorable situation than in Western Serbia, and the worst situation in this regard is in the south of the Republic of Serbia. Drastic differences are between the south and the north of Serbia.

Special question which arises is whether the family farms in rural areas should focus solely on agriculture or any other activity. There is a possibility that the solution is in the country for many households engaging in rural tourism.

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