

AGRICULTURAL PRODUCTION AND TOURISM - A CHANCE FOR DEVELOPMENT OF RURAL AREAS OF MONTENEGRO

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Abstract

Montenegro has good potentials for the development of rural tourism and agriculture, these are strategic industries for Montenegro.

The aim of the paper is to show how agriculture and tourism can be linked, i.e. to find out what agriculture offers for tourism in terms of increasing tourism potential increase for rural tourism development.

SWOT analysis was used for the purposes of this paper. SWOT analysis has contributed to the application/non-application of factors that affect the valorization or hindering the development of a tourist recreational destination and the competitive advantages of this territory.

Key words: *tourism, industry, development, economy, SWOT*

JEL classification: *R1, Q22*

Introduction

The development of rural areas in Montenegro rests on the advancement of agricultural production and the development of tourism. Rural development in Montenegro so far cannot be compared to developments in European countries. There is a connection between tourism and agriculture, tourism absorbs food and agriculture gets consumers. The development of rural tourism has a positive impact on the revitalization of the rural area. Agriculture and rural tourism in the tourist areas operate in the same area and have a common goal and interest in preserving natural resources. In this exchange, it is the village that tourism and agriculture have in common.

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The National Tourism Strategy in Montenegro recognizes the revival of the countryside, and in this respect the conditions for the implementation of financing modalities to stimulate the development of rural tourism and agriculture are sought. In the last years of the twentieth century, political events were very unfavorable, which reflected negatively view on the environment and other resources. The financial situation was especially bad. There was an ongoing economic crisis, which reduced investments for maintaining communal and transport infrastructure, agriculture and tourism development. This phenomenon continued in the 21st century, resulting in a complete lag in the development of agriculture, which prevented the investments in the development of tourism promotion from being planned and realized.

Funding for the organization of tourism in rural areas is complex and closely linked to the financing of other activities, such as agricultural production. The fact is that the poor financial situation of the rural population has a negative impact on the development of agriculture and tourism, whose activities would raise the standard and improve the living conditions in the countryside. This indicates that encouraging the development of tourism and agricultural activities in all segments in the rural area needs to define financing modalities, which is the topic of this paper. Addressing this problem requires special detailed analysis and research. The multiplication factor depends on the level of economic development of a particular country. The more tourism needs are met based on our products and our resources, the higher the coefficient since less is spent on imports. Different industry groups within the tourism sector are distinguished by different multiplier coefficients. This means their abilities to generate economic effects are different. The multiplication coefficient shows the number of turnovers received by tourists in one year. Tourism can carry out a multiplicative effect, and it is this coefficient realized from tourism in rural areas that can be doubled, that is, one euro that a tourist gives to rural tourism contributes more than double the local population, that ratio is (1 Euro: 2.2 Euros). That is, if a rural household organizes a tourist offer with only four beds, it provides income for one year's salary for one employed worker (Klaus, 2007). These claims indicate that a good organization of various tourist activities in the rural area along with agricultural production can be a driver of rural economic development and retention of young people in the countryside. This is especially important for rural areas of Montenegro.

Given that the provision of funding is a limiting factor for the development of rural areas, a need to investigate these issues arises. Financial resources make it impossible and limiting, from the point of view of the lack of funds on the one hand and not finding good sources of financial assistance on the other hand. It is important that in order to solve these problems in the rural area, the provision of funds for the organization of appropriate tourism activities and agriculture should be carried out in parallel, because these activities are causally and consequently linked. For this reason, it is necessary to determine the modality of financing significant tourism activities and agriculture.

The development of tourism in rural areas in integration with agriculture and other activities of the local community must be incorporated into broader integration programs, connecting at national and international level and with the aim of integrated sustainable development that contributes to the exchange of information, experience and the adoption of methodology, promotes effective marketing.

Rural tourism and agriculture are complementary

Agricultural production is an activity from the earliest human age, while rural tourism is an activity of the new age. Since Montenegro has become a serious candidate for European Union (EU) accession, it has the potential to use International Police Association (IPA) funds intended to stimulate rural development. The most effective investment in rural development is through the development of agricultural production and rural tourism. These attempts to develop rural areas cannot produce rapid positive results, but various incentive measures must be implemented to revitalize and refresh rural areas. Due to the displacement of the population from rural areas, especially young people, rural areas around the world are trying to find specific activities that will keep them there. It is in these cases of persistent rural development, which endured and which tends to develop in a more organized way, people focus on the organization of rural tourism as a complementary branch of the existing agriculture, with the aim of reducing poverty, emigration slowing and reviving rural households.

The development of rural tourism with the traditional development of agriculture requires respect or acceptance of the principle of sustainable development based on eco-tourism with suitable agricultural production lines for the production of various agricultural products (Janković, 2006). Janković pointed out that such an approach to expanding rural tourism

activities with existing agriculture through accommodation services is helping to make the whole chain of activities sustainable and promising. In essence, this approach is the basis for the development of integrated rural tourism, which seeks to achieve a meaningful and authentic visitor experience, which provides added value for the community in terms of exchange with visitors and direct additional revenue for the local economy. This approach is a combination of the principles and methods of tourism work in nature, but is complemented by the pattern of life in a rural environment. Furthermore, agricultural products are consumed and purchased, which are just some examples of how rural visitors can contribute to income on a local farm.

In rural areas, the quality of the local community should be cultivated in order to harness its internal potential. Tourists in these rural areas are easily immersed in the daily life of the host, especially in the activities of preparing and consuming food, but it is often emphasized that this is only because there are few rural tourists and therefore they are welcome as members of the household. Rural tourism is not massively represented, so rare tourists find themselves enjoying the knowledge that is happening between the host community and its natural environment, including all household activities, because the local community does not perceive them as foreigners, which may change with the increased number of tourists, so in such a situation it is necessary to appropriately model a new situation and organize different scenarios in which the tourist is a foreigner and has a separate treatment but also has a full experience of something local and specific.

Montenegro has the potential and opportunities for the development of rural tourism, agriculture is traditionally the most represented activity of the rural economy. Montenegro's tourism development strategy included some activities to revitalize the countryside. That is, the strategy recognized the development of rural tourism, of course, with the creation of conditions for the development of some specific economic activities.

Tourism features in rural areas

The organization of various tourist activities in the rural area is called rural tourism. The definition of rural tourism represents all types of tourism activities in rural areas as a need for the urban population to rest in the special conditions provided by these areas (Jafari, 2000). In 1986, the EU launched its definition of rural tourism, which states that rural tourism is

most commonly used when tourists want to get to know rural culture (Demonja & Ružić, 2010).

According to Roberts & Hall (2003) rural tourism can be determined based on the following key features: located in a rural area; its function is rural; the tourist has the opportunity to participate in traditional activities; that he/she is allowed an immediate match (guest host); there are several types of rural tourism and one that is estimated; to have the greatest impact on the local population is the organized one; local government benefits from the revenue from rural tourism. According to Bartlet (2006) tourism product has its characteristics, too, as follows: experiential behavior, organized - experiential holiday in a rural area; characteristic feature - rural culture; it is essential for tourists to be well received by rural hosts.

The importance of tourism in rural areas

The World Tourism Organization (WTO) points out that the economic importance of rural tourism is reflected in the fact that this tourism promotes the development of rural areas, raises the standard of living of the local population and influences the preservation of traditional economic activities, and often hinders rural areas urbanization. Rural tourism leads to the employment of a new workforce at the local community level and thus provides economic, social and cultural benefits to the local population (Jing, 2006). The economic impact of rural tourism leads to better social changes and this is further manifested in better living conditions through the construction and equipping of communal and other infrastructures in rural areas.

It is important to point out that the economic importance of rural tourism is affecting the growth and diversification of the rural economy, through revitalization and reorganization, which ultimately leads to increases in the quality of life of the local population (Roberts & Hall, 2003).

Đekić & Vučić (2003) pointed out that the economic importance of rural tourism for the local population contributes to: employment opportunities, new job openings, maintaining an existing firm, expansion of existing firms. In the last years of the twentieth century, the accelerated development of rural tourism conditioned the provision of additional income for agricultural holdings, which also indicates the economic importance of rural tourism.

Rural tourism supply and demand

The implementation of the initial plan for the organization of tourism in the rural area first requires the preparation of a Feasibility Study, i.e. a previous cost-effectiveness assessment of the implementation of the plan related to providing a visit to satisfy potential tourists (Vojnović, et al., 2012). If it is estimated that tourist valorization will have positive effects, then a tourist offer is formed in order to provide tourist demand. The profitability of rural tourism organization in the short term cannot be expected, since the organization of this tourism should be intensively worked on and promoted, and also requires a large investment to provide adequate tourism capacity, which in rural area also require special infrastructure. So, the organization of tourism in a rural area can only pay off if it is planned for a longer period (Samuelson & Nordhaus, 2005).

Agriculture and tourism

The intensive development of rural tourism and the development of agricultural production, as well as their mutual impact have a great impact on the local environment, especially if they are in the same location. The development of rural tourism and agriculture depends on a well-designed organization, as well as on their mutual relation and relation to the local environment, i.e. spatial potential.

So far, the relationship between agricultural production and tourism has largely come down to the relationship between the production and consumption sectors. However, with the rapid development of tourism, there has been an increase in tourism consumption and consequently a change in agricultural production. In the vicinity of tourist destinations there is a change in the structure of agricultural production. Agricultural production near tourist destinations could not produce sufficient quantities of food, so it was supplemented by imports.

As a result, these products are sold better, which means that tourism is exporting them. In that sense, the long-term integration of tourism and agriculture can influence the stabilization of agricultural production, and the partnership of agriculture and tourism has an impact on all the economic features of agriculture: participates in the process of production productivity, diversification and increasing production specialization.

Tourism, agriculture and space

In rural areas where agriculture is developed, tourism is a good complementary source of income; a significant contribution to integrated rural development. In this case, various schemes for sustainable and integral rural development are better supported and accepted. In most cases, tourism generates the development of other services with increased consumption and thus affects the economic prosperity of the local community

It is important that there is a balance, that is, a partnership between many participants in the development of rural tourism. It is important that there is a good and direct support from state institutions and other relevant entities for the implementation of incentive measures, such as: economic - credit assistance to rural households and farms, infrastructure - addressing important infrastructure networks, organizational - active involvement of republican as well as local bodies and entities, educational - assistance to the local population in terms of education, information from the tourism industry, conservation of natural resources and a culture of behavior.

Tourism and agriculture, as branches of the economy, use the space to carry out various activities. Natural space, because of its conservation, is of the highest value for tourism in Montenegro, but also the most sensitive because of its characteristics, which is why it is a limiting factor of development. Agricultural production must be carried out with appropriate technological conditions that guarantee nature's ecological balance. It is important to notice that agriculture is especially linked to the rural area, where the man also lives. Preservation and development of the rural area, life there and appropriate production and market infrastructure for the use of spatial resources and maintaining the links between agriculture, tourism and space, then all the conditions for agricultural and tourism development are met (Dulčić, 1997). The development of agriculture and tourism is an economic interest, but only for optimal use with long-term respect for the local population, environmental protection, non-renewable resources and cultural property.

Montenegro is now much better at organizing the development of agriculture in rural family households than a decade or more ago. The rural family household must be instructed and acquainted - prepare for agricultural production according to the demands of the world market. Preparing rural family households for such agricultural production requires

a flexible approach, dynamic activity and innovation to increase competitiveness, with continuous work on optimal use of space, environmental protection, reducing material risks of agriculture.

In areas with existing potential in a particular area for the development of agriculture and tourism it is considered best to organize family households mixed by source of income and they should be stimulated in this respect (Defilippis, 1993). This way of organizing family households leads to the conclusion that combining the work and employment of family members in agriculture and tourism enables them to achieve their maximum profit.

Rural development

Agritourism is a specific experience in the rural area that enables tourists to enjoy and get acquainted with the traditional heritage of the village, natural landmarks as well as the opportunity to actively participate in the activities of the farm. Agritourism is mainly used for certain terms referring to tourism products that are directly related to agricultural i.e. agricultural and agricultural products or for living in rural areas, such as farm stay, camping, recreational activities, educational visits, the sale of handicrafts and agricultural products (Lazic, 2005).

Agritourism is nowadays intensively developing in the highly developed countries of Europe, Australia, the West Coast and the Northeast of the United States of America (Andereck & Vogt, 2000). Increased demand in these markets for agritourism products due to a combination of the two trends due to the decline in agricultural production on the one hand and the growing market demand for holidaying in the countryside and rural areas on the other. According to Buselić et al. (2008) agritourism offers a whole range of potential benefits for local community, there is an opportunity to diversify the business activities of the local economy to generate income. An opportunity for educating the public about the importance of agriculture, with the contribution of local community economy development and a better quality of life, as an activity and its contribution to the development of the local community economy and quality of life in it. There is potential for economic incentives and reduction of the difference between urban and rural areas, there is an opportunity to create an image of the space and to identify local products and to present direct marketing of the rural area with a common economic contribution and therefore to improve the quality of life of the local community.

Agritourism does not imply acceptable activity for all farmers in rural areas. Those who wish to succeed must possess specific personal characteristics as well as some resources within the facility in which they wish to deal with this activity. First of all, it is necessary to have certain physical and / or natural resources, human resources that will be in the function of quality of service, there must be an appropriate legal system that will enable such an object to operate, as well as necessary existence of local community support. In terms of personal characteristics, farmer entrepreneurs must be open-minded, highly motivated for this business and willing to share their daily routine with guests, even foreigners, as well as own some business, primarily managerial skills. In addition, start-up capital, accessible location and adequate resources related to the nature of the service being offered are necessary.

Mainly, research has shown that tourists mainly interested in this form of tourism are urban population, and according to Kuzman et al. (2017) the following forms of rural tourism are the primary ones: strengthening family relationships - staying isolated from everyday life with your family, contribution to health - staying in the nature and physical activity, rest and relaxation - peace, adventure - new adventures and experiences, changing daily life, acquiring knowledge about the local rural area and culture, especially about food, experiences from special events, celebrations, saving money and time compared to other forms of vacations, experiencing nostalgia - frequent users of agritourism services are people who come from the countryside but no longer have family connections and contact with them.

A person who wants to do agritourism must profile their offer and decide on one or several types of consumers whose needs their tourist product will be able to satisfy. Quality is one of the most important determinants of competitiveness in any form of tourism (Kuzman et al., 2017), due to two things first of all, due to the growth of consumerism and attention, both media and consumers have focused on quality of tourism offer and secondly, the increasing level of consumer sophistication of the tourism product makes the non-price elements of the tourism offer increasingly important.

Importance of rural areas and rural development potentials

Rural areas have a number of features that make them extremely valuable. In economic terms, these are areas where practically all food production

and other renewable natural resources that meet the needs of the entire population are located. Viewed from the ecological aspect, rural areas are the habitat for all the biodiversity of natural ecosystems. Finally, from social and cultural point of view, rural areas and their populations preserve diversity and ingenuity of the millennial tradition of human and nature coexistence. Rural spaces live slowly, remember long, maintain tradition, develop native symbols and create a sense of belonging to a place. This is increasingly making them a new refuge or place of temporary residence for many city dwellers (UNDP, 2013). Recognizing and appreciating the value and importance of rural areas on the one hand, as well as their specific development conditions and challenges on the other are the reasons why the theme of sustainable rural development has gained a high place among EU development priorities. There are three main reasons for the significant attention and resources that developed societies are directing to sustainable rural development. The first is the relative abundance of the rural population. More than 56% of the EU population lives and works in the rural parts of the EU, which make up 90% of its area. The second reason is the appreciation of the stated values of rural areas, that is, the damage and costs that result from the negative trends in them. These include reduced food supply security and local self-sufficiency due to the neglect of arable land, the loss of habitat diversity that characterizes traditional agricultural land, the loss of biodiversity through the abandonment and the disappearance of traditional varieties and breeds, as well as the disappearance of the intangible heritage of traditional rural culture.

Finally, in the contemporary economic context and trends, in addition to development challenges, rural areas also receive some comparative advantages and the potential based on them to create added value and new innovative jobs. Good examples are the production of distinctive, traditionally based, high quality agricultural products (e.g. organic products based on indigenous varieties and breeds), that is, the more recent trend of direct sales on farms, as well as the organization of branded production for the local market, which increasingly prefers fresh, locally produced food products with short "supply chains". Different types of tourist facilities based on the preserved natural and cultural heritage of rural areas as tourist attractions (ecotourism, agritourism with the provision of their own products on the farm, adventure tourism, educational tourism, etc.) also contribute to the diversification of the rural economy (Kuzman et al., 2018). In relation to the tourism services sector, activities for the maintenance and presentation of the cultural and natural heritage of rural areas are being developed. About 80% of employees in predominantly rural areas work in

non-agricultural sectors. As many as 35% of European farmers have diversified their incomes by developing another profitable business, especially the smaller ones who cannot secure their competitiveness by economies of scale and market power given by size.

Rural tourism

Rural tourism is expected to contribute to the prosperity of the rural area, increasing the number of employees and promoting the values of cultural and natural heritage. The organization of tourism activities in rural areas must encourage national and local authorities and ensure a balanced development of the area concerned. Otherwise, rural tourism can have major consequences if a large number of tourists visit a particular area, which would endanger the existing ecosystem or leave a negative impact on the culture of the area concerned. Therefore, it is recommended that in rural areas the number of tourists should be as high as the number of the domicile population (Jadrešić, 1993). The above points out that existing plans for organizing and managing local tourism development are respected. The plans adopted must be in the spirit of positive legislation for the planning and management of rural areas. The development of rural tourism is an important segment of tourism for the world and European tourist offer. Rural tourists occupy 3% of the total number of tourists globally and 25% within the European Union. It is also important to point out that the development of tourism in rural areas is growing 6% worldwide and the annual growth of total tourism is about 4% (Bartlet, 2006).

Important indicators of tourism development in rural areas are indicators that make the tourism supply higher and, indicators that lead to an increase in demand for certain tourist destinations. The indicators that make the tourist offer higher are complex, and those are: people (professional), rural area (clean); different approaches (multisectoral); involving the local population in the development plans (Koščak, 1995). The indicators that determine the growth of demand for certain tourist destinations are: creating conditions for good reception of urban tourists and getting them acquainted with the rural environment, creating conditions for meeting different people and desires for a rural tourist experience, the need for more leisure.

Mair et al., (2005) points out that the local rural population plays a large role in the development of tourism in rural areas. The idea and vision of rural development starts from the local population. The local population

must have an active role in the development process but also a controlling role, that is, tourism development in the rural area rests on the management process.

Providing conditions for agriculture and rural tourism development

Agricultural production and rural tourism are economic activities between which there are constant complementary links. First of all, there is the economic importance that connects these two economic activities by the fact that tourism absorbs products from the agricultural industry and thus the constant growth of agriculture occurs. Many researchers point out that agricultural products are mostly sold in the developed tourist area, with the particular benefit of not having to carry their agricultural products to the market. Furthermore, tourism especially absorbs organic products for which a higher price is achieved.

According to Simonović (2005) economic functions of agricultural production can be defined as: nutrition satisfaction function, the function of providing resources to industry, a function to create the conditions for industry development, function of employment of domicile population for non-agricultural business, the function of protecting and conserving natural resources, the function of promoting various other activities. The characteristics of agricultural production presented above are of economic importance, although they do not provide direct financial results but affect their realization.

Pajić (2001) points out that the development of rural tourism requires "good agricultural production and responsible rural tourism", which implies that rural tourism can have both positive and negative effects on agriculture, which is further reflected in the overall rural economy and the total rural area. Agriculture is multifunctional because in addition to agricultural work, it also covers non-agricultural activities organized in agricultural households and provides additional income. The concept of multifunctionality implies activities on: protection of natural resources, rural development; protection and preservation of cultural heritage, rural lifestyle, customs, etc. Therefore, the multifunctionality of agriculture is reflected in the fact that it can perform many activities within the agricultural household such as tourism, agricultural products trade, trade of souvenirs and other items produced in agricultural households, beekeeping, activities for the conservation of natural resources, etc.

What is usual for the host is unusual for the visitor

Various activities, views, aromas and tastes are not interesting to people in the countryside, but tourists are looking for experiences that are different from their daily lives. Engaging tourists in various activities with community members creates an experience through practical activities where tourists begin to appreciate the lifestyle of that community. Integrating the everyday life of the rural population helps tourists remain interested in experiencing, seeing and learning something. Tourist also wants to bring home something to remember their experience. It is important that tourist shops have authentic products that will remind the tourist of some local community's story.

Providing funding for agriculture and tourism

The provision of financial resources for the development of rural areas must come from timely sources of financing, in order to realize agricultural production and to organize adequate rural tourism in order to achieve a viable business. Funding must be planned for long-term repayment, it is also important that interest is low and preferably for a deferred repayment period. There is a casual link between agriculture and rural tourism financing. Rural tourism is mainly being developed as an additional activity in agricultural households, which is why the original funding initiative comes from agricultural production. Later, when tourism develops to a higher level, it enables the financing of agricultural production.

In order to realize the idea for the rural tourism offer development, it is necessary to close the construction of financing through one of the potential financing modalities implemented for rural areas under the guarantee of state authorities or with state support for rural areas. The state has a key role to play as a driver of rural development, especially in regulating communal infrastructure and organizing various services. In most tourism countries, the states stimulate individuals and organizations to develop tourism (Milenković, 2009).

State support plays a major role in underdeveloped as well as in developing countries to stimulate economic growth and ensure social security (Samuelson & Nordhaus, 2005). The financing of rural tourism through the state is mainly realized through grants and a favorable credit policy. There are other financial support modalities for the development of rural tourism and agricultural production. Since there is a twofold link between the

financing of rural tourism and agriculture, and feedback is emerging: in underdeveloped agriculture there is an inability to self-finance rural tourism, which means that agriculture cannot develop rural tourism; inadequate development and poor agricultural situation creates the need to develop rural tourism with the aim of providing additional resources to agricultural households, suggesting that, if rural tourism provides the necessary funding through some modality of financing, it can assist the development of agriculture.

Due to its production cycle and seasonal character, agricultural production is specific to financing because it requires that the funds be invested at once and be captured for a longer period, due to the slow turnover (Smolović & Živanović, 2019). Agricultural production is of great economic and social importance in Montenegro, however it has not sufficiently developed its potentials.

Table 1 presents an analysis of the current situation in the field of rural tourism and rural agriculture in Montenegro. The analysis linked the internal strengths and weaknesses of this sector with external opportunities and threats. It should be emphasized that Montenegro is in the initial phase of development of this type of tourism and that there have not yet been significant differences in products and regions, i.e. most of the internal strengths and weaknesses, and external opportunities and threats, are inherent in the overall system of rural tourism and rural agriculture in Montenegro.

Table 1: *SWOT analysis of rural tourism and rural agriculture of Montenegro*

Factors of internal origin	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - landscapes, offerings and traditional values are authentic - great wealth of natural beauty - rural destinations are exotic and not sufficiently explored - there is a diversity of adventure tourism products and offerings - the locals are welcoming - traditional Montenegrin products - the country is a EU membership candidate and has the ability to use the funds - the land is of high quality, preserved and fertile 	<ul style="list-style-type: none"> - population's unawareness of the importance of rural tourism - shadow economy presence - undeveloped road infrastructure - sanctions for inappropriate environmental behavior are mild - lack of tourism skills - weak link between rural economy, ie. agriculture, and tourism - local population is not informed about the incentive measures - no systematic incentives for beginners in rural tourism

<ul style="list-style-type: none"> - the climate is suitable for different types of agricultural production - good conditions for the development of organic production are present - there is a tradition of the population in engaging in agricultural production - changes in the institutional framework have been observed - changes in the production process that are positive, such as the introduction of standards, adoption of new technologies, etc., have been observed 	<ul style="list-style-type: none"> - no adequately promoted tourist offers in the field of rural tourism - no good tourist offer promotions - small percentage of rural households meet the requirements of foreign visitors - no adequate system in place to inform and support the visitor - no cooperation between the private and public sectors - presence of major differences in the quality of service in rural tourism - tourism infrastructure is inadequate - the procedures relevant to rural tourism are not known - a high percentage of production does not price competitive - the volume of production per unit of holding is low
Factors of external origin	
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - the Government of Montenegro is committed to developing rural areas and diversifying its tourism supply - increase in international demand for nature-oriented tourism - increase in international demand for new tourist destinations; unexploited - connection with rural tourism destinations abroad through agritourism and thematization in general - greater use of EU funds and cross-border cooperation - visitors have requested to offer authentic local products - visitors have requirements for spring water and organic food - saturation with traditional destinations - raising awareness of rural communities about the fact that the development of their communities is conditioned by the mobilization of local resources - developing agriculture through tourism and increased demand for food - State aid and EU assistance in rural development (IPARD II) 	<p>THREATS</p> <ul style="list-style-type: none"> - continuous depopulation of villages - tendency towards the development of mass tourism - the process of building infrastructure in the northern region that is in need is long, and it is driven by high costs. - there are insufficiently developed capacities for the preparation and implementation of EU projects - there is an increase in environmental pollution. - there is a conflict between protection and development. - there are conflicts between sustainable rural tourism initiatives and projects and investment projects in other sectors of the economy - opening the market can tighten competition, further causing much of commercial production - the concentrated development of other industries in some parts of the country, without agricultural development, may lead to further depopulation and inability to exploit existing natural resources - presence of high import dependency - access to credit, as a financing option for farmers, is difficult

Conclusion

The survey identified existing problems with the option to improve the situation and at the same time exploit the potential with adequate engagement for rural tourism development.

Using the SWOT analysis we identified the strength- advantages and weaknesses-disadvantages of the existing destination for rural tourism development in addition to the existing agriculture, and we also identified opportunities-possibilities and threats-dangers related to rural tourism development and opportunities in the state and region. With the SWOT analysis we have analyzed the factors that may contribute to the valorization or impede the development of rural tourism and the corresponding suitability for rural tourism development. Strengths and weaknesses are oriented to internal situational factors, while opportunities and threats are external factors, which are exploited or overcome to develop attractive rural tourist destinations.

The development of rural tourism and agriculture in Montenegro is very complex because of its heterogeneity of existing conditions. Therefore, it is necessary in the future that the organization of tourism development in rural areas and agriculture should be planned according to sectors in the spirit of legal and strategic frameworks, based on action plans that foresee financing modalities as well as control of achieved goals

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