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TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA

Spa Tourism in Serbia and Experiences of Other Countries



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



TOURISM AS A FACTOR OF RURAL DEVELOPMENT OF TEMNIĆ MICROREGION

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Abstract

The research presented in this paper focuses on tourism as an important determinant of diversification of the rural economy in Temnić microregion and its development in a socially, economically and environmentally sustainable manner. Starting from the geographical situation and considering the existing resource base of the microregion, the paper aims to analyze the tourism potential of this area and point to the importance of developing the most relevant tourism products that contribute to rural development. The analysis of the most important aspects of the observed problems was carried out by applying qualitative, quantitative and SWOT analysis, while a survey was conducted in order to get the positions of the key stakeholders on the impact of tourism on the development of rural areas. According to the research results the villages in Temnić microregion have significant resources for sustainable tourism development, however, efficient rural development models are needed in order to promote the distinctive identity and cultural and traditional values of the villages, as well as to improve the competitiveness of the rural economy.

Keywords: *sustainable tourism, rural development, Temnić microregion (Rasina District: Town of Kruševac - 18 villages, Municipality of Trstenik - 4 villages and Municipality of Varvarin - 20 villages; and Pomoravlje District: Municipality of Paraćin - 3 villages).*

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Introduction

Tourism has a significant effect on the economic, social and functional structure of rural areas, since it creates conditions which instigate diversification and revitalization of the rural economy. However, to precisely specify its role in terms of development is not an easy task bearing in mind that tourism depends on the spatial, economic, social, cultural, environmental, institutional and other similar factors. This is also confirmed by a number of theoretical and empirical studies (Ploeg et al., 2000; Pejanović & Vujović, 2008; Todorović & Štetić, 2009; Cozac, 2012; Vujičić et al., 2012a, 2012b and 2015; Ristić, 2013; Streimikiene & Bilan, 2015).

In modern economies, the role of tourism is becoming increasingly important in pursuance of macroeconomic objectives (Petković et al., 2011), especially concerning employment, development of underdeveloped areas, positive effect on the balance of payments and GDP, better living standard, more balanced regional development and etc. If we look at the EU, we see that tourism directly contributes 3.7% to GDP and 5% to employment. In addition, if we consider the activities that are indirectly related to tourism, then this contribution increases to 9.9% concerning the GDP and 11.4% concerning the employment (WTTC, 2016a). In Serbia, tourism directly contributes 2.2% to GDP; if we take into account the indirect contribution, this ratio increases to 6.4%. As far as employment is concerned, the share of tourism in total employment is 2.2%, however, if we take into account the indirect contribution of tourism industry, this ratio amounts to 5.5% (WTTC, 2016b). The competitiveness of Serbian tourism and its market position are not favorable in comparison to the 141 tourist country in the world. Overall assessment of the competitiveness of Serbia is 3.34 measured on a scale from 1 to 7, which puts the country on the 95th place on the ranking list (WEF, 2015, pp. 292-293). Therefore, it is necessary to introduce some changes to the economic policy of the country and put focus on the development of tourism. The subject of the research in this paper is tourism as an important determinant of diversification and sustainable development of Temnić microregion. In accordance with the defined research objectives, the aim of this paper is to analyze tourism potential of this microregion and draw attention to the opportunities for development of tourism products that would best contribute to the rural development. Bearing in mind the defined subject and objectives of the research, we start with the following hypothesis: Rural areas belonging to Temnić

microregion have significant resources for sustainable development, however, tourism does not generate expected economic effects due to the lack of integrated strategies and models for its sustainable contribution to the revitalization of rural communities.

Research methodology

In order to examine the most important aspects of the integral development of tourism and other components of rural economy of Temnić microregion, qualitative, quantitative and SWOT analysis were used, as well as a survey research. In accordance with the specific nature of the research objectives, the authors used descriptive method, the method of analysis and synthesis, comparative research and analogical method. The method of verification was used to test the initial hypothesis. The research in this paper also builds on the official statistical publications, as well as earlier research findings in the relevant scientific field.

Research findings

Temnić microregion – geographic location and macroeconomic indicators

Temnić microregion belongs to the statistical region of Šumadija and Western Serbia and includes: Pomoravlje District (Municipality of Paraćin with 3 villages) and Rasina District (Town of Kruševac with 18 villages, Municipality of Varvarin with 20 villages and Municipality of Trstenik with 4 villages). Šumadija and Western Serbia region covers an area of 26,493 km² and is made up of 2,112 settlements. Total population in this region is 1,987,799 inhabitants and population density is 75 people per 1 km². There are 1,935 cadastral municipalities, 1,582 registered local community offices and 611 municipal branch offices (SORS, 2015a, p.18). The share of this region in the GDP of the Republic of Serbia is 18.9% (SORS, 2015b, p. 146). 72.1% of the total number of persons employed work for some legal entity – business organizations, firms, institutes, cooperatives and the like (more precisely 21.5% work in manufacturing industry, 7.5% in trade industry, 4.2% in transportation sector, 3% in construction, 9.4% in healthcare industry and 9.1% in education), while 27.9% work in the private sector. Unemployed first-time job seekers account for 37%. Average net salary per employee in Šumadija and Western Serbia statistical region compared to the national

average and according to data from 2014 is 84.2% , i.e. Pomoravlje District 81.5% (Paraćin 85.1%) and Rasina District 78.5% (Varvarin 77.3%, Kruševac 82.3% and Trstenik 76%) (SORS, 2015a, pp. 162-163 and 169-174).

Table 1: *Key macroeconomic indicators of Šumadija and Western Serbia Region – Districts of Pomoravlje and Rasina*

	Šumadija and Western Serbia Region	Pomoravlje District	Rasina District
Total area (km²)	26,493	2,614	2,668
Number of settlements	2,112	191	296
Total population	1,987,799	208,603	234,990
Density/km²	75	80	88
Number of cadastral municipalities	1,935	190	286
Persons employed at some legal entity (%)	72.1	74.9	73.7
0 Manufacturing industry (%)	21.5	20.2	25.5
1 Trade (%)	7.6	7.5	6.6
2 Transportation (%)	4.2	4.9	3.8
3 Healthcare industry (%)	9.4	11.6	9.2
4 Education (%)	9.1	9.5	9.1
5 Entrepreneurs and their employees (%)	27.9	25.1	26.3

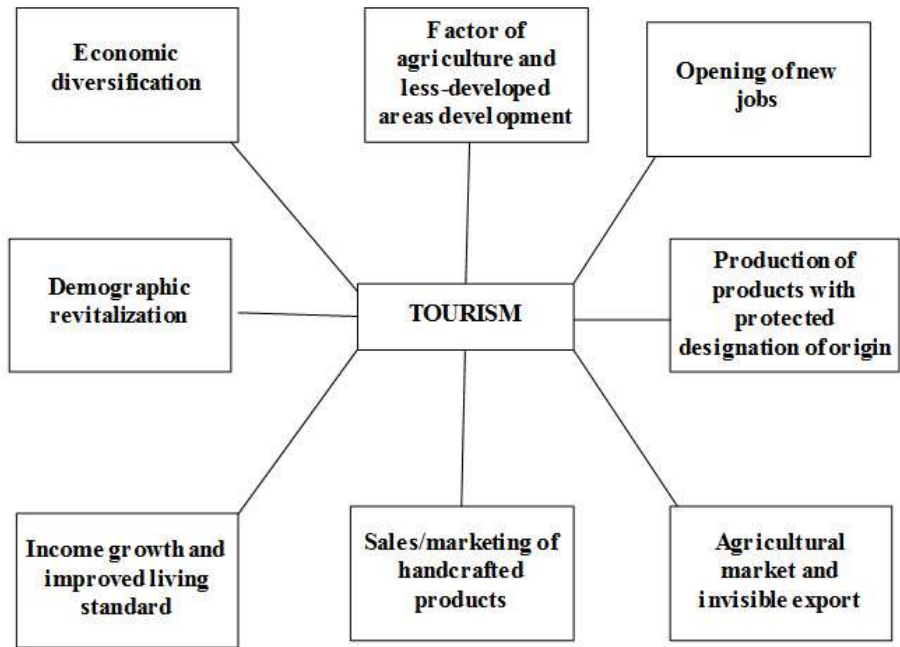
Source: *based on the data published by SORS, 2015a, pp.19,164-170.*

Pomoravlje District covers an area of 2,614 km². It has 191 settlements populated by 208,603 persons. Population density is 80 people per 1km². There are 190 cadastral municipalities, 203 registered local community offices and 91 municipal branch offices. 74.9% of the total number of persons employed work for some legal entity (20.2% people work in manufacturing industry, 7.5% in trade industry, 4.9% in transportation sector, 2.7% in mining industry, 11.6% in health industry and 9.5% in education) while 25.1% of people work in the private sector. Unemployed first-time job seekers account for 38.6% (SORS, 2015a, pp. 19, 164-165 and 170). Rasina district covers an area of 2,668 km². The number of settlements is 296. Total population is 234,990, while population density is 88 people per 1km². There are 286 cadastral municipalities, 215 registered local community offices and 74 municipal branch offices. Of the total number of employees, 73.7% are employed in some legal entity (25.5% in manufacturing industry, 6.6% in trade industry, 3.8% in transportation sector, 9.2% in health industry, 9.1% in education and

4.4% work in the government administration), while 26.3% work in the private sector. Unemployed first-time job seekers account for 33.8% (SORS, 2015a, pp.19, 164-165 and 170).

Revitalization of rural areas through implementation of integrated rural development and multifunctional agriculture concepts contributes to diversification of economic activities in villages, rural landscape preservation, protection and improvement of the environment and reaffirmation of traditional cultural values of the rural areas, which is the basis for the development of rural tourism. Thus, tourism with its development opportunities is increasingly becoming a major factor in the development of rural areas.

Figure 1: *Effects of tourism on development of rural areas*



Source: *The authors, 2016.*

Due to the diverse tourism resources and development opportunities which are characteristic of the villages in this microregion, various types of tourism can be developed. However, this calls for strengthening of the local government capacities, i.e., development of programmes and projects that would support establishment and implementation of a system of decentralized support to rural development through building of local partnerships and cooperation at all levels (Vujičić et al., 2013, p. 114).

Town of Kruševac – main characteristics of rural settlements, tourism infrastructure and products

The administrative unit town of Kruševac covers an area of 854 km² and consists of 101 settlements. Total population is 125,853, while population density is 147 people per 1 km². There are 92 cadastral municipalities, 55 registered local community offices and 21 municipal branch offices. 73.7% of the total number of persons employed work for some legal entity (25.5% in manufacturing industry, 6.6% in trade industry, 3.8% in transportation sector, 11.6% in healthcare industry, 9.1% in education and 5.2% in the government administration), while 26.3% work in the private sector. Unemployed first-time job seekers account for 33.6% (SORS, 2015a, pp. 19, 164 - 170).

Table 2: Main characteristics of rural settlements – Town of Kruševac

	KUKLJIN	JASIKA	BELA VODA	GAVEZ	ŠANAC	V.KRUŠE -VICA
Socioeconomic structure						
Population	1,535	1,784	1,217	119	978	722
No. of households	455	554	311	37	267	202
Total no. of holdings	334	263	259	30	205	135
No. of registered holdings	89	42	148	9	34	42
No. of holdings that use advisory service	46	31	67	P	6	30
No. of holdings engaged in tourism	P	P	P	P	P	P
Economic structure	insufficiently diversified rural economy					
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art; old slav sacred trees; patron saint's day(s); old watermills					
Main development objectives/models	environmental protection; diversification of economic activities; tourism; LAG(s) development; complementarity, recovery and reconstruction models					

	KONJUH	BRAJKO- VAC	KRVA- VICA	ŠAŠI- LOVAC	LJUBA- VA	KAME- NARE
Socioeconomic structure						
Population	1,014	319	808	373	499	443
No. of households	273	81	203	96	114	106
Total no. of holdings	288	83	188	89	123	94
No. of registered holdings	155	43	70	33	66	67
No. of holdings that use advisory service	94	7	6	P	21	29
No. of holdings engaged in tourism	P	P	P	P	P	P
Economic structure	underdeveloped; Konjuh: back in 1974 received award for development					
Cultural/historical heritage, sights	Konjuh: First Championship of Wit, 1995 the funniest nationality: "Konjuh too can play that game"; Gerasim Vujić Folk Ensemble; churches; cultural and artistic events; sports events; traditional art and folk creativity					
Main development objectives/models	diversification of economic activities; tourism; LAG(s) development; environmental protection; recovery, reconstruction and accelerated development models					

	PADEŽ	VRATA-RE	LAZA-REVAC	KOMO-RANE	SRNJE	GLOBAL-RE
Socioeconomic structure						
Population	758	419	558	125	792	364
No. of households	206	115	140	33	242	95
Total no. of holdings	186	107	154	28	136	91
No. of registered holdings	114	61	113	12	26	73
No. of holdings that use advisory service	81	11	99	P	P	11
No. of holdings engaged in tourism	P	P	P	P	P	P
Economic structure	underdiversified					
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity					
Main development objectives/models	diversification of economic activities; tourism; LAG(s) development; recovery and reconstruction models					

Source: *The authors, based on data published by SORS, 2014a, 2014b and 2015c.*

In accordance with the Law on Official Statistics and the Law on Personal Data Protection of the Republic of Serbia, certain data contained in the tables regarding settlements with three or less than three agricultural holdings are marked with a capital letter P.

SWOT analysis of the rural settlements indicates that their main comparative strengths are as follows: favorable climate, preserved rural landscape, rich flora and fauna, local people fostering progress and development, tourism resources and the like. However, main weaknesses arise from the present status of development of the village economy, decrease in the number of inhabitants and households, poor diversification of activities, lack of funds, insufficient accommodation and service capacities. Most threats relate to the technological and administrative lag compared to international standards, soil erosion, environmental pollution, poor networking, etc. Opportunities to be explored include development of an institutional framework for rural development, better use of finances provided by various development funds, development of tourism products, organic farming and locally grown produce, establishment of LAGs (local action groups), entrepreneurship development and setting up of SMEs (small and medium-sized enterprises). All things considered, the SWOT analysis of the rural settlements belonging to the administrative unit the town of Kruševac indicates that there are fewer weaknesses than strengths in terms of an integrated rural development and tourism development. Identified weaknesses can be significantly mitigated in the long term period through national development programmes, local initiatives and

development of the destination's tourism value chain. Opportunities to be exploited refer to the development of all different forms of tourism, higher investments, increase in production of healthy foods and more intensive development of households engaged in tourism.

Tourism offer - Thanks to the rich cultural and social life, literary and artistic works, as well as beautiful nature and landscapes, Kruševac has sufficient resources for the development of education-based tourism, religious tourism, wine tourism, sports and recreation tourism, event tourism, rural tourism, hunting tourism and health tourism. The Archaeological Park Lazar's Town preserves the remains of a medieval town built by Duke Lazar in 1371 as the capital city of medieval Serbia and it includes: Lazarica church, Kruševac Public Museum, the Monument dedicated to Duke Lazar, Dožon Tower (Defense Tower), Duke's Palace, Milić of Mačva Gallery, a Mosaic Room, the Monument dedicated to the Battle of Kosovo Heroes, the Monument dedicated to the warriors fallen in the Balkan wars and WW I (1912-1918), St. George's Church, the sculpture "Mother Serbia and Mother Greece" and Memorial park "Slobodište". Kruševac region is also famous for its religious heritage, especially St. Roman Monastery, *Monastery of the Intercession of the Theotokos* and Naupara Monastery. As far as the thermal and mineral water resources are concerned, the most important is Ribarska Banja (Ribare Spa). Mountain Jastrebac is also significant natural resource. Among rural settlements, Bela Voda village stands out due to its location, i.e. this village is situated in the natural area of exceptional importance and surrounded by vast forests and fields ideal for relaxation and recreation. Bela Voda village is also famous for its sandstone, as well as a mineral spring Belovodski kiseljak. This village fosters its distinctive stonework-carving tradition, hence, sculptors' colony is regularly organized here, as well as cultural and artistic event Bela Voda Rosette. There is a drinking fountain in the village centre erected by Prince Aleksandar Karađorđević in 1847 and a church built in 1938 in memory of the late King Alexander II Karađorđević. One household in the village is engaged in rural tourism. Another village with important tourism resources is Kukljin village with its ship mill. It is believed that this watermill is the last watermill of this type in Europe. Kukljin is a village where craft of wickerwork is preserved and fostered. As for the resources of other villages, one can confidently say that all villages in this area are famous for their healthy foods production, excellent cheese and traditionally made cream. Rural tourism provides a variety experiences to guests from urban centers (home cooked food, fishing, hunting, horseback

riding, walks in woodland, herb harvesting, chestnut picking, mushroom picking, wild berry picking, visiting natural springs, visiting historical and religious sites, cycling and etc.), with the possibility of visiting local wineries and tasting of their excellent wines. Wine tourism is rapidly developing in this region, as an important segment of the rural economy development. There are many small and several large wineries that organize guided tours to their wineries and *wine tasting and also provide accommodation*. In addition, traditional celebrations and wine festivals are organized annually (Vinovdan - Wine Day) and *Župska berba* (Harvesting of Grape wines in Župa), is developing wine tourism as an important tourism product in rural areas. As far as other tourism development opportunities are concerned, there are also sufficient resources for the development of religious and health tourism in this region (Sustainable Development Strategy of Kruševac, 2010, pp. 36-40).

Accommodation capacity - Based on the data of the survey conducted by the Tourism Organization (TO) of Kruševac, there are 8 hotels with approximately 1,700 beds and several B&Bs with a total of 460 beds. In terms of star rating and the average size of this hospitality facilities, there is one three star hotel, and the rest are hotels and B&Bs with two-star rating. Rural households that provide accommodation and hospitality services have a total accommodation capacity of 680 beds. However, some of these households are not on the territory of Temnić microregion.

Overnight stays – According to the data provided by Tourism Organization (TO) of Kruševac, the number of arrivals and overnight stays is decreasing from year to year.

Table 3: *Arrivals and overnight stays*

Year	Number of tourists	Overnight stays
2012	27,295	100,657
2013	26,199	93,137
2014	21,962	85,699
2015	21,828	82,127

Source: *The authors' survey, based on data of the TO of Kruševac, 2016.*

Trstenik Municipality – main characteristics of rural settlements, tourism infrastructure and products

Trstenik Municipality covers an area of 448 km², consists of 51 settlements and has 41,381 inhabitants. Population density is 92 people per 1 km². In addition, this municipality has 49 cadastral municipalities, 36 registered local community offices and 19 municipal branch offices.

76.8 % of the total number of persons employed work for some legal entity (40.6% work in manufacturing industry, 5.0% in trade industry, 1.8% in transportation sector, 5.8% in health industry, 7.9% in education and 3.1% in the government administration) while 23.2% are entrepreneurs and their employees. Unemployed first-time job seekers account for 38.5% (SORS, 2015a, pp. 19, 164 - 170).

Table 4: *Main characteristics of rural settlements – Trstenik Municipality*

	SELIŠTE	VELIKA DRENOVA	STRAGARI	MILUTO-VAC
Socioeconomic structure				
Population	857	2,363	570	1,592
No. of households	228	708	168	468
Total no. of holdings	193	452	119	415
No. of registered holdings	111	193	75	285
No. of holdings that use advisory service	47	156	20	213
No. of holdings engaged in tourism	P	P	P	P
Economic structure	insufficiently diversified rural economy			
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity			
Main development objectives/models	environmental protection; diversification of economic activities; competitive agriculture; tourism; setting up of SME(s); LAG(s) development; opening of new jobs; complementarity/accelerated development models			

Source: *The authors, based on data published by SORS, 2014a, 2014b and 2015c.*

If we look at the findings of the SWOT analysis of the rural settlements belonging to this administrative unit, we see that the preserved rural landscape, rich flora and fauna, cultural and historical heritage, hardworking and hospitable locals make main comparative strengths. The main weaknesses are the result of the current status of rural development, population decline, poor diversification of activities, underdeveloped infrastructure and inadequate utilization of tourism resources. As far as the threats are concerned, these are mainly related to inadequate rural development policy, environmental pollution, migrations from villages to towns and cities, underdeveloped entrepreneurship and the like. Opportunities to be explored concern revival of customs, traditional crafts and cultural values, development of products with protected designation of origin, establishment of LAGs, entrepreneurship development and setting up of SMEs and more efficient utilization of development financing.

Tourism offer – In Trstenik and its surrounding villages, tradition is often intertwined with the modern way of life. Traditional Serbian architecture

(Moravian style), watermills, old crafts and a multitude of different customs and traditions make this area particularly attractive to tourists.

Exceptionally beautiful traditional costumes can be seen in a traditional costume workshop in the village Stragari, as well as in the local museum, at folklore events and sometimes on fairs and gatherings. Trstenik is also famous for its kilims. Villages Medveđa, Velika Drenova and Milutovac are famous for their grafting techniques. Herb harvesting, mushroom and forest fruits picking are just some of the activities offered to visitors and rural tourists. In terms of natural resources, this region is characterized by gorges and valleys, rivers and streams, numerous springs and rich flora. Mineral water Velučki kiseljak (Mivela) comes from a source in this region.

Most famous sites in this area are: early Neolithic sites of Blagotin in Poljna village and Šljivik in Stragari village (4500-4000 B.C), medieval settlement Grabovac known as Jerinin grad (The Town of Despotess Jerina), Monastery Ljubostinja, Monastery Veluće, St. Petka's Church, Holy Trinity Church and St. Gabriel the Archangel Church. As far as events are concerned, the most visited ones are: Days of Wine and Winegrowers, Spring Day Hike, Jefimija's Days, Ibar - Morava River Regatta, Cabbage Festival, International Art Colony and Hunting, Fishing and Rural Tourism Fair. The proximity of Vrnjci Spa, breathtaking landscapes, monasteries, historical and archaeological sites, wineries, healthy foods and numerous events and festivals make excellent development opportunities, however, they are not sufficiently exploited in terms of boosting tourism offer (TO of Trstenik, 2016; Municipality of Trstenik, 2009).

Accommodation capacity - According to the survey of Tourism Organization (TO) there are no hotels in Trstenik. However, there is one B&B and one pupils' dormitory (which is also used as a hostel in summer months) and also there are 19 beds available in 5 uncategorized households which offer accommodation. In the villages that do not belong to the territory of Temnić microregion (Brezovica, Bresno Polje, Jasikovica i Mala Drenova) rural tourism is significant part of income generation and villagers invest in ethno-villages, accommodation facilities, restaurants, an outdoor swimming pool, a "mini" zoo, wineries, traditional clay ovens for bread making, mattress stuffed with corn shucks and many other amenities and services that attract tourists (TO of Trstenik, 2016).

Overnight stays – Based on the data provided by the TO, there is an increase in the number of tourist arrivals starting from 2013, in addition, since 2014 the number of overnight stays has also been increasing.

Table 5: *Arrivals and overnight stays*

Year	Number of tourists	Overnight stays
2011	1,557	3,849
2012	1,070	2,224
2013	1,123	1,611
2014	1,174	1,870

Source: *The authors survey, based on data of the TO of Trstenik, 2016.*

Varvarin Municipality - main characteristics of rural settlements, tourism infrastructure and products

Varvarin Municipality covers an area of 249 km² and it includes 21 settlements. Total population is 17,349, while population density is 70 people per 1 km². There are 21 cadastral municipalities, 21 registered local community offices and 6 municipal branch offices. 52.9% of the total number of persons employed work for some legal entity (7.5% work in manufacturing industry, 4.5% in trade industry, 1.4% in transportation sector, 7.4% in health industry, 15.1% in education and 4.6% in the government administration) while 47.1% work in the private sector. Unemployed first-time job seekers account for 29.5% (SORS, 2015a, pp. 19, 164 - 170).

Table 6: *Main characteristics of rural settlements–Varvarin Municipality*

	BOŠNJANE	MASKA-RE	VARVARIN VILLAGE	BAČINA	ZALOGO-VAC
Socioeconomic structure					
Population	1,713	499	1,587	2,022	742
No. of households	530	172	457	637	199
Total no. of holdings	350	124	291	416	178
No. of registered holdings	152	63	161	208	93
No. of holdings that use advisory service	81	26	5	54	79
No. of holdings engaged in tourism	P	P	P	P	P
Economic structure	unbalanced development – from underdeveloped village economies to highly populated villages with diversified economic activities				
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity				
Main development objectives/models	environmental protection; diversification of economic activities; tourism; LAG(s) development; complementarity, recovery and reconstruction models				

	MARE-NOVO	CERNICA	GORNJI KATUN	DONJI KATUN	OBREŽ
Socioeconomic structure					
Population	386	186	1,357	914	3,062
No. of households	100	64	388	275	861
Total no. of holdings	99	64	275	200	690
No. of registered holdings	72	39	143	120	230
No. of holdings that use advisory service	20	29	62	107	66
No. of hold. eng. in tourism	P	P	P	P	P
Economic structure	unbalanced development – from underdeveloped village economies to highly populated villages with diversified economic activities				
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity				
Main development objectives/models	diversification of economic activities; tourism; LAG(s) development; environmental protection; accelerated development models				

	KARANO-VAC	M.KRUŠE-VICA	GORNJI KRČIN	DONJI KRČIN	PAJKO-VAC
Socioeconomic structure					
Population	290	244	213	279	136
No. of households	111	73	57	107	50
Total no. of holdings	107	71	50	75	31
No. of registered holdings	53	45	38	24	16
No. of holdings that use advisory service	5	8	37	22	II
No. of holdings engaged in tourism	II	II	II	II	II
Economic structure	underdiversified				
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity				
Main development objectives/models	diversification of economic activities; tourism; self-organization; environmental protection; recovery and reconstruction models				

	SUVAJA	IZBENICA	ORAŠJE	TOLJE-VAC	PARCANE
Socioeconomic structure					
Population	105	494	626	498	444
No. of households	42	151	192	171	127
Total no. of holdings	-	74	139	134	122
No. of registered holdings	-	32	68	64	90
No. of holdings that use advisory service	-	P	11	18	35
No. of holdings engaged in tourism	P	P	P	P	P
Economic structure	insufficiently diversified				
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity				
Main development objectives/models	diversification of economic activities; tourism; environmental protection; consolidation, recovery and reconstruction models				

Source: *The authors, based on data published by SORS, 2014a, 2014b and 2015c.*

Based on the findings of the SWOT analysis of rural settlements, we can say that the main comparative strengths are the following: favorable geographical position, mineral springs, good potential for strengthening of the tertiary sector, superb air quality, excellent water and soil quality, the willingness of local authorities and stakeholders to address environmental problems, cultural and historical values, traditional architecture, sufficient resources for development of eco-, recreational and weekend tourism. Main weaknesses arise from poor self-organization, unfavorable demographic structure, insufficient diversification of processing capacities, there is no official tourism organization, shabby hospitality facilities, insufficient promotional activities and advertising and etc. Most threats relate to the risk of flooding and erosion, poor road infrastructure, depopulation of villages, inefficient use of resources and deficient measures and mechanisms to protect the cultural and historical heritage. Opportunities to be explored include development of the manufacturing sector, integrated water management, infrastructure modernization, development of eco- and ethno tourism, rural tourism, sports and recreational tourism, organic food production, repair and construction of walking and hiking trails and implementation of the tourism development strategy.

Tourism offer - This region is characterized by favorable conditions for fruit and wine-growing, as well as cattle breeding, forestry, hunting tourism and excursion tourism. Exploitation of natural mineral water is an important economic activity in the village of Orašje, while the villages Varvarin, Obrež, Bačina, Bošnjane, Donji Katun and Gornji Katun diversified their economy and are engaged in several activities. As for the other villages in this municipality, they are predominantly engaged in agricultural production. Some parts of this municipality are particularly favorable for the development of certain types of tourism: the valley of Velika Morava river and Varvarin are suitable for development of sports and recreation tourism (especially water sports), fishing tourism, eco-tourism, transit and excursion tourism; Juhor Mountain is favorable for development of hiking and excursion tourism, walking and horseback riding, mountain biking, eco- and hunting tourism; the hilly landscape of Gornji Temnić is ideal for development of rural, excursion, eco- and ethno tourism, as well as transit tourism. Agritourism, rural tourism, cultural and religious tourism, as well as sightseeing tourism can significantly contribute to the economic development of this municipality (Municipal assembly Varvarin, 2008).

Accommodation capacity, tourist arrivals and overnight stays – Since the PC Sports and Recreation Centre Temnić-Varvarin does not have any information on accommodation capacities in Varvarin and since there is no official tourism organization, according to the data provided by municipality administration, there is one hotel in this municipality – Hotel Plaža off the coast of the Morava River, however, after unsuccessful privatization this hotel was closed down. There is one B&B facility – Prenočište Varvarin which offers 4 accommodation units, each containing 4-5 beds. Although there are no official data, approximately 3-4 households in every village offer accommodation (2-3 beds per household); however there are some households with larger accommodation capacities. Based on unofficial information, it is estimated that the total number of overnight stays in the village households engaged in rural tourism ranges from 20-100 overnight stays per year. In terms of the official data provided by the Statistical Office of RS (2015a) no arrivals or overnight stays were recorded in Varvarin municipality.

Municipality of Paraćin - main characteristics of rural settlements, tourism infrastructure and products

Municipality of Paraćin covers an area of 542 km² and consists of 35 settlements. Total population is 52,860, while population density is 98 people per 1 km². There are 36 cadastral municipalities, 41 registered local community offices and 21 municipal branch offices. 70.7% of the total number of persons employed work for some legal entity (22.2% in manufacturing industry, 10.1% in trade industry, 8.2% in transportation sector, 8.3% in healthcare industry, 8.7% in education and 3% in the government administration), while 29.3% of people work in the private sector. Unemployed first-time job seekers account for 34.1% (SORS, 2015a, pp. 19, 164 - 170).

SWOT analysis of the rural settlements indicates that main comparative strengths in this municipality are as follows: natural resources, cultural and historical heritage, healthy foods and traditional cuisine, sufficient resources for rural tourism development and friendly and hospitable locals. Main weaknesses arise from the underdeveloped entrepreneurship, depopulation, inefficient use of natural resources, lack of funds and the like. Threats mostly relate to the lack of programmes to keep the young people from leaving the villages, environmental pollution, lack of investments and etc. Opportunities to be explored include more efficient

use of funds provided by various rural development funds, establishment and operation of LAGs, entrepreneurship development and setting up of SMEs.

Table 7: *Main characteristics of rural settlements – Paraćin Municipality*

	SVOJNOVO	POTOČAC	RAŠEVICA
Socioeconomic structure			
Population	1,233	1,096	994
No. of households	380	377	376
Total no. of holdings	215	164	186
No. of registered holdings	84	63	81
No. of holdings that use advisory service	18	29	32
No. of holdings engaged in tourism	P	P	P
Economic structure	insufficiently diversified rural economy		
Cultural/historical heritage, sights	churches; cultural and artistic events; sports events; traditional art and folk creativity		
Main development objectives/models	environmental protection; diversification of activities; complementarity/accelerated development models		

Source: *The authors, based on data published by SORS, 2014a, 2014b and 2015c.*

Tourism offer - Paraćin Municipality is rich in natural, cultural and historical resources for tourism development. The most famous vacation and picnic areas on the territory of Paraćin are Grza and Sisevac. Church of the Holy Trinity, Monastery of the Intercession of the Theotokos, St. Petka's Monastery, St. Sisoje's Monastery, Zabrega Monastery and St. Nikola's monastery are the most beautiful examples of the religious heritage and architecture in this municipality. Numerous events and festivals are also regularly organized: Days of Wine, Art Fest, International Chess Festival, Summer Sports Festival, Winter Sports Festival, Culture Days, Motorcycle Rally, Celebration of St. Marina the Great Martyr, several art colonies, Days of Culture in Svojnovo, Ethnic Festival, Kids Carnival, Mini-Tini Festival, Jeep Rally, Trade Fair and Photography Contest (TO of Paraćin, 2016).

Accommodation capacity - Based on the data of the survey conducted by the Tourism Organization of Paraćin in 2016, the following accommodation facilities received the best ratings from the guests: Orbis Design Hotel & Spa with 24 luxury rooms and suites, Hotel Petrus with 20 standard rooms, 18 comfort rooms, 2 deluxe rooms and 2 suites, Hotel Koliba in Grza with its restaurant with a maximum seating capacity of 700 people, 33 rooms and suites with over 100 beds, Motel Aqua - Ethnic Palace with 2 rooms and 4 suits in Serbia ethnic style, Motel Tito, Villa Modex with 3 suits and 7 rooms with accommodation capacity of 19

beds, Hostel Mir with 10 beds in 5 rooms and Resort Complex Sisevac Spa with 35 beds. There are no registered rural households engaged in tourism in this municipality.

Overnight stays – Based on the data published by the Statistical Office RS (2015a, 256), the number of tourist arrivals in 2014 was 5,477, of which 2,735 were made by domestic tourists and 2,742 by foreign ones. Number of overnight stays was 7,434, of which 3,756 were made by domestic and 3,678 by foreign tourists.

Conclusion

On the grounds of the geographical situation and the existing resource base, Temnić is by all means a region abundant natural, cultural and historical resources which are an excellent basis for tourism development. Taking into account the mentioned resources, attractions and attributes of Temnić microregion, competitive positioning on the market should be based on the richness of natural resources and cultural values, distinctive destinations, traditional way of life in rural areas, diversified offer of cultural and entertainment events, attractive festivals and special interest tourism. Therefore, tourism in function of economic development and better living standard of rural population should be based on the principles of sustainable development and conservation of natural resources. In this way, ethnological, environmental, gastronomic and cultural values should be included in tourism offer, matched with the specific characteristics of Temnić microregion, as well as specificities of each village, and supported by appropriate marketing and promotional activities.

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